DOCUMENT RESUME

ED 372 275 CE 066 903

AUTHOR Stern, Elliot
TITLE Evaluation of the Impact of Vocational Training in a Territorial Context. The Evaluation of Training, Human Resources and Regional Development in Rural Wales. CEDEFOP Document.
INSTITUTION European Centre for the Development of Vocational Training, Berlin (Germany).
REPORT NO ISBN-92-826-5020-0
PUB DATE 92
NOTE 76p.
AVAILABLE FROM UNIPUB, 4661-F Assembly Drive, Lanham, MD 20706-4391 (Catalogue No. HX-76-92-932-EN-C).
PUB TYPE Reports - Research/Technical (143)

EDRS PRICE MF01/PC04 Plus Postage.
DESCRIPTORS Adult Education; Case Studies; Community Programs; Coordination; *Economic Development; Educational Cooperation; Educational Demand; Educational Opportunities; Educational Practices; Evaluation Methods; Foreign Countries; *Labor Force Development; Mentors; Postsecondary Education; Program Effectiveness; *Program Evaluation; Regional Cooperation; *Regional Planning; Regional Programs; *Rural Areas; Rural Education; School Business Relationship; Secondary Education; Tourism; *Vocational Education
IDENTIFIERS *Wales

ABSTRACT

A series of seven case studies examined vocational training, human resources development, and regional development in rural Mid-Wales. The case studies focused on the following: a business mentor program that uses the Welsh language and culture as a development resource, adult training in the county of Powys, integrated development at the community level, sectoral initiatives regarding tourism, efforts to confront the crisis posed by closure of the Trawsfynydd Nuclear Power Plant, public agency support of industrial investment in regional economic development initiatives, and regional enterprise support mechanisms. Each case study included an examination of socioeconomic context, agencies involved, existing training framework, regional development issues, and possible evaluation methods. No agreement regarding what constitutes a region in Mid-Wales or what constitutes regional development could be found. All of the development initiatives studies were found to involve two or more development agents pursuing slightly different development agendas, albeit with overlapping interests. Because of the diverse ways the participants in the various initiatives defined regional development, the contribution of training to development was not always clear. The importance of conducting assessment, implementation, and development evaluations despite their complexity and the many problems they entail was emphasized. (MN)

ED 372 275

CEDEFOP Document

Evaluation of the impact of vocational training in a territorial context

The evaluation of training, human resources and regional development in rural Wales

European Centre for the Development of Vocational Training

U.S. DEPARTMENT OF EDUCATION
Office of Educational Research and Improvement
EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)

☐ This document has been reproduced as received from the person or organization originating it.

☐ Minor changes have been made to improve reproduction quality.

• Points of view or opinions stated in this document do not necessarily represent official OERI position or policy.

"PERMISSION TO REPRODUCE THIS MATERIAL HAS BEEN GRANTED BY

TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)."

BEST COPY AVAILABLE

CF 066 903

CEDEFOP Document

Evaluation of the impact of vocational training in a territorial context

The evaluation of training, human resources and regional development in rural Wales

Elliot Stern (Tavistock Institute of Human Relations)

First edition, Berlin 1992

Published by:

CEDEFOP — European Centre for the Development of Vocational Training
Jean Monnet House, Bundesallee 22, **D-W-1000 Berlin 15**
Tel. (030) 88 41 20; Fax (030) 88 41 22 22;
Telex 184 163 eucen d

The Centre was established by Regulation (EEC) No 337/75 of the Council of the European Communities

Cataloguing data can be found at the end of this publication

Luxembourg: Office for Official Publications of the European Communities, 1992

ISBN 92-826-5020-0

Articles and texts appearing in this document may be reproduced freely in whole or in part provided their source is mentioned.

Printed in Belgium

CONTENTS

Part One

1. Introduction 1

2. Study Design 2

Part Two

3. Initial Considerations 4

4. A Systems Approach to Regional Development and Vocational Training. 5

5. The Rural Context and Rural Development 6

6. Training and Rural Development Systems 9

7. Evaluation Paradigms 12

Part Three

8. Rural Wales as a Regional System 17

9. Rural Wales: A Case Study on Training, Human Resources and Regional Development. 23

Part Four

10. Conclusions and Propositions 60

PART ONE

1. INTRODUCTION

This study of rural Wales was commissioned by CEDEFOP in 1991 as one of a series of reports on training in various regions across Europe. The particular aim of this study was to explore and pilot methods to evaluate the way decisions affecting training and human resources contribute to development in a rural region. The research was carried out by the Evaluation Development and Review Unit of the Tavistock Institute in collaboration with the Development Board of Rural Wales.

This report is divided into four parts: Part One consists of this section and Section 2 which describes the design of the study. Part Two explores - from a systems perspective - regional and rural development, training and human resources, and evaluation frameworks and approaches. Part Three first describes rural Wales as a regional system and then, taking rural Wales as a case study, examines several specific case examples of the system in action. These seven case examples form the main part of this report. Each case example, after an initial presentation, is analysed under the headings:-

- Socio-economic Problematic
- Mapping of Agencies Involved
- Training Framework
- Regional Development issues, and
- How can such a case be evaluated?

Finally, Part Four sets out some conclusions regarding some key points in the report and puts forward some propositions concerning regional and rural development, agents of training and development, and evaluation.

2. STUDY DESIGN

The overall aim of this study as stated in the initial proposal to CEDEFOP is:

> 'To explore and pilot methods to evaluate the way decisions affecting vocational training contribute to regional development'

The objectives of the study necessary to achieve its overall aim are:

- to make explicit the 'models' or 'frameworks' held by different actors and institutions significant in the regional development context that **they see** as linking vocational training with regional development;

- to identify the full range of quantitative and qualitative labour market information sources available regionally **and** mapping these in terms of the main actors and institutions, i.e. who depends most on which types of information and intelligence;

- to clarify how the main actors and institutions use the information to guide the planning and decision-making with regard to vocational training;

- to analyse the inter-institutional networks and behaviour to show how negotiations, trade-offs and respective 'zones of influence' between institutions active in regional development mediate or modify decision-making processes with regard to vocational training;

- to assess the degree of openness and participation available to local people from the regional institutions active in vocational training (i.e. planning, delivery and placing those with skills). In particular identifying cultural and cross-cultural issues where these are significant.

- to synthesise this material into a case study of how decisions are made regarding vocational training in Mid-Wales.

The design of the study, which underpins the structure of this report, drew first on general considerations in the three fields of:

- Regional and rural development
- Vocational training in that context

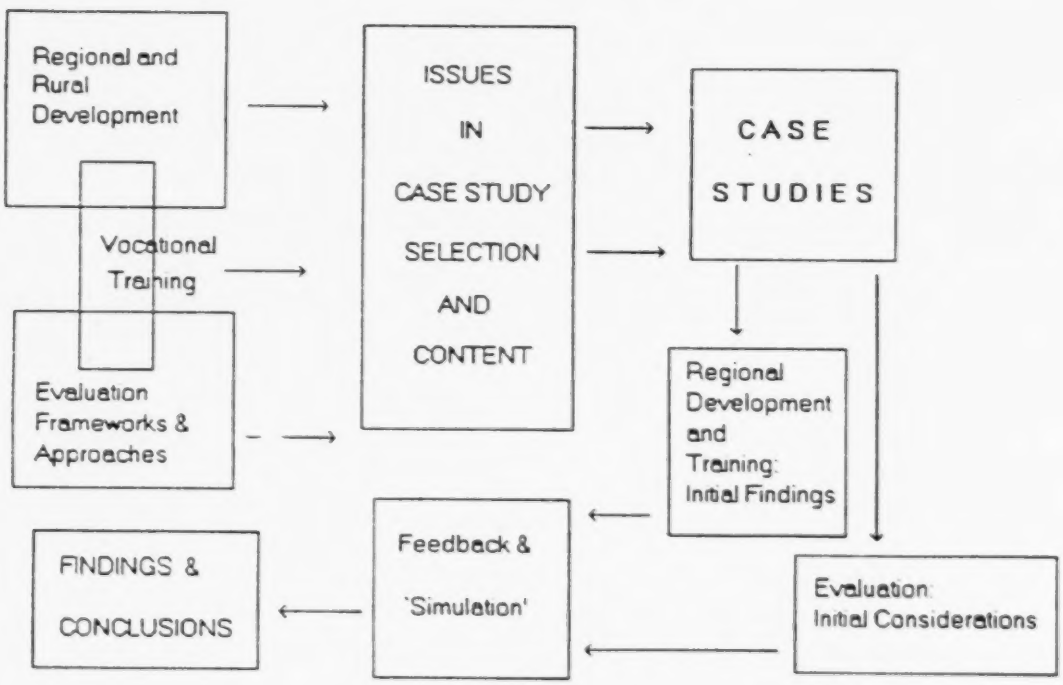
and

- Evaluation frameworks and approaches.

On the basis of these considerations issues were identified that needed to be addressed as part of the fieldwork and documentary analyses in this study.* These issues both informed the selection of case-studies and suggested areas of exploration and analysis within the case-studies. In broad terms the case-studies were selected to illustrate how the various actors (institutions, agencies, networks) related to training and regional development. However given the aims and objectives of the study, the fieldwork was intended to illuminate both regional development/training and methodological issues in evaluating these processes. Both frames of reference are used in the write-up of the case-studies. Finally given our commitment to systemic and collaborative research the initial descriptions, conclusions and hypotheses regarding both regional development/training and evaluation have been fed back to regional actors so as to verify the research and simulate some of the dynamic characteristics of regional development in Mid-Wales. This feedback process has shaped the final conclusions of the study, even though the final responsibility for the report and its conclusions rest with the authors.

The following diagram schematically represents the main elements in the study design described above, and the main sections of the report that follow.

MAIN ELEMENTS IN STUDY DESIGN



Copyright: The Tavistock Institute

* See also our Phase I report: "Vocational Training and Regional Development in Rural Wales: Mapping the Regional Context" - Development Board for Rural Wales, June 1991.

BEST COPY AVAILABLE

PART TWO

3. INITIAL CONSIDERATIONS

Mid-Wales is an archetypal peripheral rural area. In terms of transport and access, population density, economic activity and infrastructure (see Section 8 below), it typifies many of the contemporary problems of rurality. These problems have to be seen in a European rather than an exclusively Welsh/UK context. The role of vocational training systems and human resource strategies in rural areas is necessarily set into this wider context whose elements include:

- the single market and the growing competitive pressures in the Europe of post-1992;
- the restructuring of agriculture and its funding mechanisms for both European and worldwide (e.g. trade and development) reasons;
- recognition of the extent of regional disparities and their persistence despite significant community action, perhaps most evident in the integration of the structural funds;
- a renewed faith across the industrialised world in the role of SMEs, the contribution of indigenous development and in liberalised markets;
- the restructuring of industry towards intermediate services, quality management and responsiveness to consumer demands;
- awareness of the economic and social costs of under-utilising or even marginalising significant numbers of European citizens in rural communities;
- concerns about the consequences of rural desertification and urban congestion for environmental, social and economic reasons; and
- the urgent need to enhance the skill base of all Community citizens.

Rural areas, particularly the more remote and peripheral, have emerged as among the most vulnerable to this catalogue of threats and least able to take advantage of parallel opportunities. Old problems of demographic imbalance, poorly qualified and low skilled work, the 'branch' economy and under investment in infrastructure, have been exacerbated by new sectoral vulnerability and the accelerated rate of change in the urban world.

In the UK, as elsewhere in Europe, there has been a move in the 1980s away from traditional regional policies led by public sector expenditure (e.g. subsidies for regional producers, investment grants, large scale infrastructure projects). Instead there has been a twofold shift: towards the development of skills; and towards 'indigenous' (rather than 'imported') development initiatives. Unfortunately our understanding of the precise relationship between education and training, human resources and economic and social development in rural areas is still rather poor. Understanding these relationships is a first step towards designing appropriate policies and programmes and being able successfully to evaluate their content in terms of appropriateness and adequacy.

4. A SYSTEMS APPROACH TO REGIONAL DEVELOPMENT AND VOCATIONAL TRAINING

In this study regional development and vocational training have been considered from within a systems framework. The first feature of a systems approach is that it is concerned with the **dynamic** qualities of its subject. Thus we have **not** been interested in describing the socio-economic structures, policies, resources and institutions of the Mid-Wales region - many existing reports and studies including our own Phase I Report already provide adequate descriptions at this level. Rather we have been interested in how the entire regional system as it affects training fits together and interacts, that is, how it is *articulated*. In the language of systems theory we have been concerned with processes of control and development.

A second feature of a systems framework is that it directs attention to the system within a **wider environment**. This is particularly useful for the study of a peripheral rural region such as Mid-Wales where so many of the significant processes originate outside the region: in decisions made in Cardiff, London, and Brussels. However it is the within-system consequences that matter, i.e. how regional 'actors' respond to challenges from their environment, that provide a theme throughout the study.

A third feature of a systems approach is that is directs attention to **sub-systems** i.e. the elements that constitute the overall system. These may be institutional such as County Councils, Development Agencies, or Training and Enterprise Councils; they may also be functional sub-systems i.e. sets of institutions or other actors involved in an activity or task. In this latter case the boundary of the sub-system is drawn around networks of linked actors. This too is particularly relevant to a peripheral rural region where, as we shall be arguing, many significant aspects of the system can only be understood by examining the inter-actions of 'partners' and 'consortia' across formal institutional boundaries. In many cases the appropriate micro-units of analysis in a system are networks of organisations rather than individual organisations.

A fourth feature of systems theory (particularly in the socio-economic domain) is that it acknowledges the existence of **different interests** and ultimately, different values within the system. Thus both regional development and vocational training in Mid-Wales are shaped by different visions and aspirations. We have found it important in our analyses to try to understand these differences, for example those that are driven by purely economic logics and those driven also by social and cultural logics. In evaluation research values have a particular significance: the criteria for evaluation are never value-free and the identification of criteria requires an understanding of values and interests.

5. THE RURAL CONTEXT AND RURAL DEVELOPMENT

Despite the immense variation between rural areas there are also many commonalities. Rural areas are firstly beset by problems of access. Sparse populations cannot sustain the range of services that are taken for granted in urban areas. Local businesses will have difficulty finding local sources of supply, advice, capital and information. Individuals and households are similarly ill-served. Shops, libraries, government offices, education and training are often distant from where people live. Poor transport and the tendency to centralise, i.e. to concentrate both commercial and public provision in large regional centres exacerbate problems. Following from problems of access it is difficult to gain information and resources are in any case scarce. People often feel distant from decision-makers who affect their lives but over whom they see themselves as having little influence or control. An acceptance of this reality - often castigated as 'apathy' - reinforces the status quo and makes innovation difficult.

Those who might be the innovators - the better motivated, the more educated, and the young - have traditionally left rural areas to seek their fortunes in the cities. But innovation is not only hindered by the lack of information and other resources. It is further reinforced by the way local public institutions operate. They have usually retained a functional rather than a territorial principle of organisation. Thus parallel bureaucracies concerned with education, land use planning, transportation and industrial development lack a shared view of how their decisions impact on a particular rural area. Indeed many public bureaucracies have designed their programmes around urban priorities and do not even collect information that allows for the identification of rural outcomes. From the point of view of rural areas there are also problems of vertical integration between public authority functions located at local, regional, (possibly) federal and national levels. Roles and responsibilities may be located at different levels, but impact on rural citizens with little evidence of coordination. To be fair, major private corporations display a similar structural form. Decisions are often made in distant head offices whilst local branches or subsidiaries have little autonomy. The paucity of such local private sector resources in rural areas places limits on the ability of local development agencies to involve and work with the private sector to the same extent as would be the case in urban areas.

The myths of rurality, usually propagated by city dwellers, include idealised visions of social harmony and integration. More recent social and labour market research tends to emphasise the segmented nature of rural society with social and economic opportunities closed off to some or at least very unevenly distributed. Local leadership roles are often captured by particular interests with the young, the incomer or the poorer citizen having little opportunity to exert influence. The most extreme forms of social division and exclusion occur in areas with significant cultural or ethnic populations.

There are many approaches to defining rural development in a regional context:

Some start from the 'outside' and look in and represent what outsiders see as necessary for the region; others start from the 'inside' and look out, and represent the priorities of those within the region. Economists tend to emphasis resource allocation and creation;

planners tend to emphasise settlement patterns, land-use and infrastructure; administrators start from institutional realities; trainers start from the skill base and formation of human capital; and community representatives start from local needs capacities and potential. For the purposes of this study we begin by suggesting that two elements are necessary in any definition. First we need to be able to describe a desirable end-state i.e. what it means to be developed. This allows for the **content** of rural development to be described. Second we need to be able to describe the **process** or mechanisms by which this desired end state can be achieved. By attempting some starting definition of both aims **and** mechanism (content and process), we hope to be able to identify some *criteria* for evaluating rural development activities that we have encountered in the Mid-Wales region.

Rural development can be defined in content terms as an idealised end state[1] where a community enjoys:

1) an economic structure of organisations and markets which is sufficiently dynamic and interlinked within the community and beyond the community so as to have an inherent tendency towards self-stabilisation in the face of change in its external environment and to enjoy self-sustaining growth patterns;

2) an institutional infrastructure both public and private which fits together well in an integrated and coherent manner;

3) a social and socio-economic structure which allows the community to be local and self-reliant in leadership, innovation and cultural and social reproduction and to be open to participation in the wider world; and

4) a level of physical infrastructure (roads, rail, telecommunications, water supply etc.) sufficient to allow and encourage the previous three.

Rural development *processes* include processes of infrastructure development, investment, enterprise, human resource development, capital formation, market formation, network development, local community mobilisation etc. These processes are structured by available institutional resources. It is the institutionally structured operation of these processes which form the phenomena we call systems, the totality of which makes up a rural development system. In describing such a system one critical feature is the extensiveness of the links between the sub-systems. The better the links in a region - between sectors, markets, institutions etc. - the more quickly information and resources can move to where they can be used efficiently.

1.Such an idealised end state is an abstract construct, the movement towards which contains the idea of rural development. It would be mistaken to expect to discover a concrete example of rural development (i.e. a 'developed' rural system) as all human systems are subject to fundamental externally induced change processes and to internal change processes which, though stable (in the sense of bounded), are unpredictable and non-repetitive.

One example of the content and process of regional development may help to clarify this framework. Enterprise and business development has been one pervasive 'vision' of regional development in the UK over recent years.

Enterprise support and development agencies in rural areas generally seek to:

- provide access at a local level to business support services that would not otherwise be available;

- create opportunities for local involvement and decision making in economic development close to people's everyday lives;

- provide a focus for enterprise-related innovation and encouragement for innovators;

- compensate for the lack of coordination between public and private agencies that might be expected to offer relevant services locally; and

- provide a vehicle for the economically and culturally excluded to enter mainstream economic activity.

Here we have a particular development vision and a range of particular mechanisms intended to achieve it. Development policy focuses overwhelmingly on improving the links between regional sub-systems, in the expectation that this will lead to a more effective and articulated regional economy.

6. TRAINING AND RURAL DEVELOPMENT SYSTEMS

Before considering the role of the training sub-system in rural development systems let us first consider what an ideal type training system might look like. Such a system would provide a continuum of training solutions from on-the-job learning by doing or learning by example (e.g. apprenticeships or other forms of workplace-based learning) right through to formal full-time vocational education. It would provide expertise and information on human resources to employers and career guidance to employees. It would provide lifelong education in response to technical change. It would have the capacity to re-integrate marginalised groups. It would be able to mediate and synthesise the competing demands of private and public sectors, employers and employees; the employed and the self-employed. It would integrate the educational system with the economic system. It would be responsive, information-rich and reflexive: capable of responding to changing socio-economic circumstances.

Such a system tends to be as much an outcome of a complex economic structure as an autonomous unit. Typically such a system is not just composed of state provision but relies equally on private sector provision of a whole range of training functions in response to organisational needs and market signals. In this CEDEFOP research Köln would be the region whose structures approximate most closely to such an ideal type training system. By contrast, rural areas such as Mid-Wales tend to lack a great many of the qualities described in the previous paragraph. In particular:

- The role of the private sector organisations and of the market in the training system is weak.

- Training provision tends to be patchy and composed of a limited number and type of services.

- Public provision often does not reflect rural conditions and is not responsive to particular rural needs.

- The training system and the economic system are loosely coupled.

The general socio-economic and labour market context should shape the provision of vocational training. However, provision is currently adapted to a regional economy that is itself changing and seen as needing to change further. In some ways it is well adapted to a low level of socio-economic functioning. To that extent, vocational training policy has to be seen both in relation to regional development *goals* as well as to current socio-economic realities. Among the characteristics of the present vocational training system in Mid-Wales are:

- a private sector predominantly made up of small firms with limited capacity to train in terms of expertise and supervisory resources;

- a limited range of jobs and skills often low skilled and low paid with few technical or management opportunities and therefore offering insufficient high skill jobs to support a viable high skill training market;

- a tradition of state training policy that was designed for the unemployed and new entrants to the labour market and which, even now with a refocusing on the employed and new business start-ups, retains its traditional bias:

- a training system with geographical access problems and sparse population such that the delivery of training is costly - a phenomenon made worse by the per capita base formulae used to allocate national training budgets to regions and localities in the UK.

In the case examples chosen for this study, we have selected those cases where vocational training can be seen as making a contribution to regional development. To that extent, our consideration is not intended to be representative of overall vocational training activity in Mid-Wales. Thus it does not document youth training for school leavers or semi-skilled training for the construction industry. However, at a macro level, there are important evaluative questions to be asked about the overall level of distribution of training activity in Mid-Wales. How far are there sufficient resources available and how far are they properly distributed between meeting current needs and supporting regional development goals?

Vocational training in the UK has been the subject of an active process of redesign and policy development in recent years. The whole of the UK is now covered by a network of 82 Training and Enterprise Councils responsible for planning and implementing skills and business training in their areas that match local labour market needs.

Training has been seen as problematic in the UK for at least the last 30 years. Employers have been unwilling to train, preferring to poach. It has been argued that skill shortages have constricted growth and modernisation and exacerbated wage inflation. The introduction of the Industrial Training Board (ITB) in the Mid 1960s was the first systematic attempt to confront this situation. ITBs were sectoral and funded by a levy on employers. The voluntaristic traditions of UK industrial relations and economic lobbying by employers' organisations gradually undermined ITBs. In place of the levy came public subsidies for ITBs, first for their central administrative costs and, subsequently, for training provided. They were also undermined by the changes in labour markets: the growth of unemployment and other forms of labour market disadvantage; the decline of traditional craft apprenticeships that had been the backbone of ITB training; and the emergence of new occupational clusterings that were cross-sectoral.

Training from the late 1970s through till the mid 1980s was increasingly dominated by a central government agency, the Manpower Services Commission (MSC). The MSC, which dismantled the ITBs, created a network of regional and area offices delivering national training programmes for young people, for the adult unemployed and increasingly for those in employment, especially for business start-ups and growing firms. However, throughout this period the unwillingness of UK firms to train continued. TECs can be seen as representing the latest effort to improve the UK's training performance. Their main attributes are:

- that they are government financed but they are employer led, i.e. managed by a board of local company senior managers, on the assumption that local employers best know their labour markets;

- that TECs are responsible both for the local delivery of national programmes and for developing locally tailored initiatives to meet local circumstances;

- that they are seen as a means of educating and changing the attitudes of employers towards training, skills and human resources as a quid pro quo for their influence in TEC management;

- that TECs have a strategic responsibility for training in their areas but are expected to operate with and through others, e.g. they collaborate in partnerships with other agencies, sub-contract delivery to agents and purchase training services as part of the creation of a training market.

In rural areas TECs face particular difficulties:

- the weakness of the private sector makes employer participation, let alone leadership, problematic. The public sector has many of the resources that TECs need to mobilise;

- many ground rules and eligibility criteria for training programmes devised nationally do not match rural circumstances. e.g. the seasonal unemployed may not be eligible for training schemes, self employment may disguise under-employment, pluri-activity fits uneasily with sectorally based training;

- the structure of the local economy currently supports low levels of skill and training needs are not necessarily the most important constraint on economic development;

- the resources available for training (i.e. training expertise, establishments, etc.) are often poor or unevenly distributed, making a training market difficult to create;

- access problems and sparse populations make the costs of the delivery of training high, yet the formulae for allocating training budgets do not fully recognise this.

Yet, despite these difficulties, TECs nationally and in the Mid-Wales region, are evidently becoming major actors on the training scene even though it is too early to fully describe, let alone assess, their effectiveness. In this report we are, at best, able to describe intentions and starting positions rather than impacts.

7. EVALUATION PARADIGMS

7.1. Evaluation and Programme or System Design

There needs to be consistency between evaluation and the architecture of policy and programmes. Recent reviews have highlighted the importance of relating evaluation strategy to programme design. It is not only that evaluations have to be integrated into programme planning, resourcing and management but also that the shape of programmes and of evaluation design have to be seen in tandem. One pressure for the contemporary convergence of approaches to evaluating innovative programmes and applications, is the emergence of programmes with similar design characteristics. For example a composite description of many innovative programmes in vocational training would include the following attributes:

The involvement of many actors who form temporary 'alliances' or 'partnerships' for programme purposes;

A dispersed (if not decentralised) programme structure with the concomitant need to ensure programme coherence;

A contractual basis for agreements between projects and programmes which is used as a base for ongoing influence and scrutiny of project performance.

A degree of tension between multiple programme objectives being pursued by various 'partners';

Intentions to 'embed' projects and programmes and influence other actors, create synergies and gain leverage over non-programme resources.

A concern to build capacities and create self-sustaining processes that are long-term and outlive the programme funding being offered.

In recent years many of the limitations of traditional evaluation practice have been acknowledged. It is increasingly common now for evaluation:

To be seen as making a contribution to effective project management and to project and programme success;

To include evaluation questions and criteria that are relevant to a range of 'stake-holders' - not just to programme managers and policy-makers.

Explicitly to seek to involve and mobilise the support of programme participants in evaluation and monitoring activities;

To look to evaluation to answer some broad - as well as narrow - questions about impact and the context within which this occurs;

To employ a diversity of methods - quantitative and qualitative, technological and socio-economic - to reflect the scope of programme goals.

To regard programme objectives and how they evolve as properly within an evaluation's purview.

To build evaluation into programme design from the beginning, by allocating resources, preparing guidelines and designing monitoring systems.

To take account of programme architecture and reflect this in the design of evaluation strategies.

To involve evaluators in a continuing dialogue with programme managers and policy-makers and sometimes also to include the programme/project interface within the scope of the evaluation.

Evaluation has traditionally been conceived of narrowly within an 'assessment' paradigm that judges micro-level success or failure in terms of specific objectives or targets. We, like other contemporary evaluators, have come to see the limits of this paradigm. It arises out of experience in bounded, stable units (e.g. the school class) where formal objectives can be identified and where the units being evaluated are relatively unaffected by outside agencies. Many in the field now acknowledge that evaluation has to contribute to effective project and programme management as well as to the assessment of success and failure. This 'implementation' paradigm of evaluation has proven useful in relation to 'embedded' programmes where the boundaries between the subject of the evaluation and its environment is less clear-cut and because of greater interdependence implementation processes (e.g. project-level strategies) can be problematic. Given our understanding of the characteristics and stage of development of peripheral rural areas, we see the need to focus evaluation not only on embedded projects, but on interdependent projects embedded in a highly uncertain environment. Consistent with the developments noted above, this evaluation must also make a positive contribution to creating stability and reducing uncertainty. We therefore see the need to overlay the 'assessment' and 'implementation' paradigms of evaluation with a 'learning' or development paradigm. Within this third paradigm evaluation is also concerned w..h creating *shared understandings*.

The three paradigms are summarised in Table 1 below. The table highlights a further feature of evaluation, design choice, i.e. who undertakes the evaluation.

TABLE 1: EVALUATION PARADIGMS AND SYSTEM CONTEXT

PARADIGM	SYSTEM CONTEXT	KEY EVALUATION QUESTIONS	WHO EVALUATES?
'Assessment'	'Bounded' Units relatively independent in stable environment	Have objectives and targets been achieved?	External evaluators
'Implementation'	'Embedded' units, some interdependence and and environmental uncertainty.	Is implementation being well coordinated? How is the project managed?	External evaluators with involvement & cooperation of subjects
Development or 'Learning'	Interdependent units, in highly uncertain environment	Are shared understandings being constructed?	Participative & collaborative evaluation

'Assessment' evaluations can be undertaken largely by external evaluators : targets once set can be monitored from without. 'Implementation' orientated evaluations require the cooperation and involvement of their subjects if only to give evaluators access to internal management processes. In order for 'learning' to occur, the subjects of evaluation need to be far more actively involved: the evaluation itself has to be participative and collaborative. This in turn transforms the evaluation questions being asked into an active form e.g. 'how **can** the emergence of shared understandings be encouraged?' as much as (in more passive mode) '**are** shared understandings emerging?'

7.2. The Evaluation of Training and Continuing Education

In order to understand the 'state of the art' in the evaluation of vocational training, we need first to recognise the salience and scope of the contemporary training debate.

With the growing pace of technological change since the 1950s, problems of skill acquisition and updating have become central to economic debates in industrialised countries. In some countries where skill shortages and economic performance have been especially problematic, vocational training has come to occupy a central place in overall public policy and not just in economic circles.

Not only has the rate of skill change accelerated but a host of other processes has emerged both at a micro-level, within the firms and societally in the wider labour market. For example, we are seeing new patterns of competition between firms, especially in the burgeoning service sector, that rely on workforce quality for competitive advantage. We are also seeing new patterns of internal organisation, in particular vertical and horizontal integration (e.g. manufacturing 'cells') that require multi-skilling at craft levels and at supervisory and managerial levels, far greater mutual awareness between such diverse disciplines as manufacturing, engineering, marketing and finance. Technological changes have also brought learning into the workplace and in leading-edge companies the boundary between work and learning itself becomes blurred. In the wider labour market the re-valuation of skills and training has underscored problems with conventional human capital theory with its hypothesis that employers **should** invest (i.e. train) for company specific skills whilst individuals **should** invest in their own transferable skills. Continuing tension between employers and employees over qualifications belies this analysis. Furthermore, for those outside of the labour market, marginalisation (i.e. the exclusion from socio-economic opportunities, including training) has intensified at the very time that the professionalisation of the workforce and demands for higher levels of education have come to the fore.

This discussion highlights a number of important issues:

- that training occurs in specific organisational and labour market contexts;
- that training is not an end in itself but a means to promote socio-economic innovation and resolve socio-technical problems; and
- that training is justified insofar, and only insofar as it contributes to problem solving and innovation.

The ideas put forward for evaluation in this field are similar in many respects to those already noted in the general domain of evaluation. Thus the following 'design principles' have been advocated. Evaluation of vocational training should:

- be planned at the beginning of a training initiative;
- recognise the different stages of a training programme, from skill acquisition, to skill deployment and to work-based outcomes;
- draw on different methods, given the strengths and weaknesses of all available methods;

- address process as well as product evaluation issues;

- help solve problems as well as retrospectively to assess performance;

- be integrated into evaluations of broader human resource management strategies, and

- should include economic and cost/benefit analyses as well as direct training and learning outcomes.

What is striking from the available literature and from direct experience is the limited nature of the evaluation that has taken place. Programmes are often evaluated but they usually stop at short-term training/learning outputs, i.e. answering questions such as: Were curricula developed? Was new courseware published? What was the initial uptake of the new training available? However, neither at a programme level nor at a social or socio-economic level do we know much about more profound outcomes and impacts.

We believe that the explanations for the lack of evaluative activity, lies in the uncomfortable position that training occupies on the boundary of a wider context. Thus training can only be fully evaluated in its work based and socio-eonomic context. In initial training and in retraining that occurs outside of the labour market (e.g. for the unemployed), the specific work context is not yet known. In company based training the context is not only diverse because of job categories and learning skills, but also because of wider strategic issues: the level and quality of integration between training, human resource, technical, investment and marketing strategies can be critical. It is not therefore surprising that many partial evaluations for training (as for education) rely on proxy measures of training performance such as qualifications achieved, whilst recognising their limitations. In the rural setting as we have seen the context extends into the broader socio-economic domain - of the labour market and local economy that supports skills and training opportunities. In peripheral areas the value and contribution of training cannot be disentangled from the possibilities and constraints of the context.

PART THREE

8. RURAL WALES AS A REGIONAL SYSTEM

8.1. Labour Market and Economy

A number of detailed studies have been made in recent years of Mid-Wales labour markets [1] and of aspects of the Mid-Wales economy.[2] The Tavistock Institute itself has made a number of studies in conjunction with the DBRW of social developments and community development. In addition, the Phase I report of this project, 'Mapping the Regional Context', provides a wealth of empirical detail. We do not intend to repeat those studies here but rather to augment them by developing the systemic, structural and institutional aspects of the regional system.

In this section we briefly recap for the reader some empirical socio-economic data about Mid-Wales and then highlight the implications of the present socio-economic structure for regional development policy and practice. We argue that the region has a particular structure which is determined by its rurality and its peripherality and that this structure has particular implications for the region's development processes and for the labour markets and training system embedded within those processes.

Mid-Wales has a total area of just over two million hectares, 40% of the total area of Wales, comprising the districts of Ceredigion in Dyfed, Meirionnydd in Gwynedd and Brecknock, Montgomeryshire and Radnorshire in Powys. It is a mountainous region dissected by river valleys. The landscape is often of considerable physical beauty.

Mid-Wales is extremely rural with over 75% of its population in settlements of under 2,000 people, and a population density of 0.26 per hectare compared with a UK density of 2.37 per hectare. The sparsity of population and the remoteness of the area as a whole, has serious implications for the planning, delivery and financing of any form of provision. It's population of 217,900 is less than 8% of the Welsh total [3].

Population centres in Mid-Wales are widely dispersed, communications are poor, and internal travel times and distances can be very substantial. These obstacles to communication will be exacerbated by the Single Market and the Channel Tunnel

---

1 . Labour market studies have been produced in 1990/91 by Targed, Powys TEC and West Wales TEC

2 . WDA Rural Prosperity Programme Doc. 1991, Meirionnydd DC/DBRW Trawsfynydd Studies 1985 & 1990, various reports on agriculture.

3 . All data used in this section is drawn from the background document "Vocational Training and Regional Development in Rural Wales Phase I Report : Mapping the Regional Context" DBRW June 1991 unless otherwise stated.

leading to increasing peripherality. Perceived remoteness remains the predominant constraint on the region's industrial development and the development of service industries and tourism are similarly constrained.

In the West of Mid-Wales are a number of Welsh language speaking communities and these areas are regarded by many as the heartland or spring of Welsh language culture.

Mid-Wales has a high dependency ratio relative to the rest of Wales and the UK as a whole. Depopulation has taken place in Mid-Wales throughout this century and during the latter part of the last century. Population decline has been both absolute and relative. Since 1971 the population of Mid-Wales has begun to increase. The overall population increase in Mid-Wales between 1976 and 1989 has been entirely a result of net in-migration. Net inward migration particularly of the economically active is expected to be the major factor in significant population growth [4.5-11%] up to the Mid 1990s. Population growth as a result of in migration is perceived by some as a threat to the Welsh language.

Wales has the lowest level of GDP *per capita* in the UK. The estimated level *per capita* for Mid-Wales is less than 79% of the *per capita* level of the UK as a whole. Between 1984 and 1987 the relative position of Mid Wales compared to the UK has worsened both in terms of GDP per head (from 82.8% of the UK average to 78.8%) and Gross Value Added per head (81.0% of the UK average to 76.7%). The cost of living particularly in remote communities is higher than that of typical UK urban communities.

The Mid-Wales economy is characterised by a large number of small scale enterprises. However employment in a locality is often dominated by one or two major employers [i.e. 100+ employees]. Public sector employment [teaching, public administration etc.] plays a central role especially in white collar and professional employment. Unemployment levels are consistent with general UK trends but there are indications of significant underemployment, low wage employment and seasonal employment. Overall wage rates are considerably lower in Mid Wales than in both Wales as a whole and the UK.

Employment grew slowly in Mid-Wales in the 1980s relative to the rest of the UK. This growth was concentrated in Powys while growth in the western districts either stagnated or declined. In general economic activity levels in Mid-Wales are much low - than in the UK as a whole - especially for women. The primary sector remains important [In Mid-Wales over 15% of all employees are employed in the primary sector compared with only 4% in the UK as a whole]. About 10% of all employees are engaged in agricultural work compared to less than 2% in the UK as a whole, while 21% of all jobs in Mid-Wales are directly concerned with agriculture.

Most land in Mid-Wales is classified as Grade 4 or 5 [land with severe or very severe limitations due to adverse soil, relief or climate or a combination of these]. Holdings are small. Agricultural productivity is very low. Since 1985 the relative earnings of agricultural workers in Wales has declined from 65% of the level of average earnings for men in Great Britain to 55% in 1989. In cash terms, this represents a gap of £121 per week or almost £6,300 a year.

Self employment has traditionally been very important throughout Mid-Wales and it is estimated that in some parts, almost a third of the working population may be self employed. Of these, around 50% are in the agricultural sector. For example the highest levels of self employment in Powys are agriculture, tourism, construction, forestry and outworking and the whole small firm sector both in services and manufacturing. This relatively high figure for self employment in the County is probably an under estimate of the level of self employed 'pluriactivity' whereby the self employed person is involved in a number of different business activities in a self employed capacity. Again 22% of all employees in North West Wales were self employed in 1981 and the figure is higher now. The majority of the self employed in this area work in agriculture, distribution, hotel and catering and construction.

Virtually all of Mid-Wales is designated by the EC as a Less Favoured Area.

8.2 Regional Development Policy and Practice

The regional economy and society of Mid-Wales, described above, set a particular context for regional development and have implications both in terms of policy and practice. Among the implications we would highlight are:

- The high dependency of the region on primary industries, especially agriculture, makes it vulnerable to external (UK, European and world wide) changes in markets and policies (e.g. CAP, GATT) over which it has little or no control. This places a particular emphasis on the need to diversify the regional economy.

- The general vulnerability (and fragility) of the regional economy also has systemic implications. The region needs to be able to mobilise its resources at short notice and in innovative ways to respond to challenges and threats - as well as to opportunities.

- The population structure (and mobility patterns) of the Mid-Wales region underlines the importance of full time jobs for the economically active in order to prevent young people migrating. Self-employment probably disguises significant levels of under-employment as does the growth of part time jobs for women.

- The combination of out-migration of young people and in-migration from elsewhere in the UK increases the threats to indigenous Welsh communities. This has been exacerbated in the past by development strategies centring on growth 'poles' and growth towns, mainly in the east of the region, bordering on to England.

- Poor transport, and actual and perceived remoteness affect the decisions of individuals and firms with regard to the region. The lack of an airport, poor north south access, persistent threats to close 'non-economic' railways further the region's peripherality.

- Low incomes, a low (local) tax base and sparse population make the delivery of all services costly. Thus the availability and market for services, business services, leisure services, including training, as we shall see, is poor.

Regional development policies that are in place in Mid-Wales are generally consistent with this analysis:-

- The need to diversify the regional economy is well recognised, hence the promotion of tourism, farm diversification and factory building for manufacturing firms.

- The need to respond to crises and externally initiated threats has led to far greater inter-institutional coordination and partnership in regional development than has existed traditionally.

- The need to target indigenous Welsh communities in the east of the region and away from traditional growth poles has come to the fore in the formation of Welsh language enterprise agencies and the recent 'western initiative' of the DBRW.

- Campaigns to improve transport are prominent in the activities of most regional economic actors - even though improvements in transport infrastructure (such as the Conwy tunnel) are rare because of lack of funds.

- The planned investment in services, in particular leisure and community services (sports, entertainments, etc.) is seen as necessary to maintain the attractiveness of the area to local and incoming residents alike - even though the market for these services is inadequate in economic criteria alone to justify the investment.

Specific case examples of these regional development policies are elaborated further below. At this stage in the argument, it is important to recognise that while regional development activities are in line with a broadly shared understanding of regional needs there are also areas of dissent. In particular, aspirations and ultimately values about regional development are not always shared. The main areas of value dissent concern:-

- The role of the public sector, in particular, local government, in regional development. Many of the initiatives of local government in the development plans have to be seen as defensive measures by County and District Councils in the face of re-organisation imposed by central government. These initiatives are not easy to understand solely within a regional development frame of reference.

- The significance and importance of continued infrastructural investment, particularly in transport. Some actors see indigenous development as able to substitute for external (i.e. national) investment. Others actors see the effectiveness of indigenous development being limited by the lack of parallel and enhanced infrastructural investment programmes.

- The importance of indigenous *priorities* as well as indigenous means to deliver development policies. Increasingly indigenous actors (local agencies, grass roots organisations, local leaders) are demanding that their priorities feature in development plans, as a *quid pro quo* for active participation in the development process. Statutory and national agencies have tended to emphasis the means rather than the ends of local involvement.

- The extent to which regional development should include social, cultural and environmental, as well as, economic priorities. A largely economistic view of development has been challenged by more integrated notions of development. However, even the definition of 'integrated development' is not broadly shared among regional actors. Thus for some integrated means different actors working together. For others it involves mobilising the social in support of the economic and for some it means cross sectoral development.

In our initial formulation of the region as system we emphasised the differences of interests and values often found among socio-economic actors. The case studies that follow in Section 9 need to be understood in these terms. In most cases of regional development activity there are simultaneously areas of consensus *and* actors pursuing different interests under the umbrella of partial agreements and temporary alliances.

8.2. Institutional Mapping and History

In Mid-Wales, beyond the formal education sector and the private sector, there is a plethora of organisations concerned with training and economic development working together in complex ways to provide a range of training, human resource development and enterprise support services within funding patterns and a legislative remit set in London and, to a lesser extent (historically), Cardiff.

These agencies are:

- Training and Enterprise Councils which administer programmes of skills training and human resource development in support of enterprise creation and business growth.

- Local Authorities which are responsible for drawing up and implementing economic development strategies for their areas, and the provision of physical infrastructure and which have been up till now responsible for many training, careers guidance and counselling functions.

- Development Agencies responsible for most aspects of socio-economic and economic development from factory building and capital grants for industry to business support services and funding to community development including aspects of human resource development but excluding an explicit training role.

- Enterprise Agencies which provide enterprise support consultancy and act as a front end for other organisations such as TECs, Development Agencies, Local Authorities, etc.

- Other agencies, such as the Welsh Agricultural Training Board, Mid-Wales Tourism, Business in the Community and Menter a Busnes which play a variety of economic development, human resource and training roles.

All these agencies receive funding from and are subject to some degree of control directly and indirectly from the Welsh Office and central government. Although, in some cases, the intention is that some of these agencies will make themselves independent of government through self sufficiency and although control of these agencies is largely vested in local business people/employers, all these agencies are in essence creatures of government. Strategy and planning are provided by one or more of these agencies working in concert while strategies and programmes are carried out by a variety of operational arms. Programme operations are characterised by a mutual web of contracting and sub-contracting between these agencies and sub-contracting from these agencies to various training institutions and business consultancy enterprises. We would argue that - given the high level of mutual interdependence of these agencies, the reality that many of their functions are transferable or interchangeable and that their raison d'être is grounded in government policy and funding provision - these agencies not only form a network but that this network, rather that the individual agency, is the basic organisational unit of the Mid-Wales economic development system and the Mid-Wales training system and thus is the appropriate unit of analysis for evaluation purposes. In other words, where we are evaluating a system or a programme concerning socio-economic development and/or training we will need to examine the actions of the multiple organisations in a network.[1]

Processes of development in Mid-Wales take place in a context of pan-UK determination of infrastructure development whether it be physical infrastructure (roads, telecoms, housing, industrial site development) or organisational infrastructure (TECs, local authorities, quangos). The determination of the processes of infrastructure development is outside the framework of our study but we must take into account the fact that these processes delimit development potentials and demark institutional boundaries, in many cases without reference to the needs, aspirations or advice of institutions and communities in rural Wales.

---

1. The key boundary from a systems perspective is the boundary between this network and its environment. The systems requirements of sufficient complexity, reduncance and the synthesis/resolution of external and internal demands are requirements of the network as a whole, not necessarily its component parts.

9. RURAL WALES : A CASE STUDY ON TRAINING, HUMAN RESOURCES AND REGIONAL DEVELOPMENT

9.1. Introduction

Decisions regarding the use of vocational training in a peripheral region such as rural Wales are embedded in and reflect a complex reality of inter-institutional relationships. Problems of vocational training and regional development are bisected by institutional boundaries. Coordination across these boundaries may be formal or informal; plastic or structured; transitional or permanent but always takes place in a situation where the institutions involved are powerless in setting their own boundaries. Boundaries are set by central government in Cardiff or London for administrative reasons. These boundaries cause ongoing coordination problems for agency action in a sparsely populated area already beset by difficulties in the spatial distribution of institutional resources.

We have argued above in Section 8.3 that the various agencies responsible for the economic development and training systems in Mid-Wales form a network. This network is the expression of government policy as actualised in various development and training programmes. It is this network which, given the weakness of the private sector and the community's limited power, provides a major component of the economic development process and its associated training system.

Decisions made in this network are the indirect expression of intra- and inter-institutional relations, processes and political alliances which structure and are structured by actors' conceptual frameworks, values and norms. This case study seeks to make explicit the conceptual models or frameworks linking vocational training with regional development held by the different actors and institutions and the role of these models or frameworks in shaping decisions which influence regional development processes. The case study examines decision making processes as a part of developmental processes rather than locating them in particular economic sectors or social domains. Sectors or domains may, of course, be the embodiment of particular processes in certain cases.

These developmental processes include skills development; development of commercial and social networks; indigenous investment; inward investment, takeovers and inward migration of firms; and processes of transition or crises management. What is of particular interest to this study, is what account is taken by gatekeepers in the domains in which these development processes take place of issues of human resources, training and manpower. For example, typically in rural Wales, processes of indigenous investment consist of the expansion of existing firms or of startups in the service sector, particularly services directly or indirectly associated with tourism. Training for business skills, specialised job skills and network development are important contributions to this indigenous investment process and hence, there are implications for coordination between decision makers in vocational training organisations and in organisations promoting indigenous development. Equally the indigenous development process itself borders on processes of community development - integration with the regional economy, inter community links - and therefore, also involves coordination with agencies concerned with community development.

Mid-Wales, like any rural economy, is not only characterised by processes of development but also by processes of decline. Problems arising in processes of stabilisation or transition management in a fragile regional economy tend to be complex and require concerted action by institutions and communities in many domains simultaneously in order to sustain and restructure an existing socio-economic ecology. These problems of stabilisation and transition management include industrial crises (typically the fate of one dominant firm or utility in an area), the ongoing agricultural crisis and social crises of cultural erosion or youth emigration. Very often, behind the rhetoric of development employed by organisations charged with the management of these crises, lies the reality of managed decline.

The management of development and decline often involves the use by actors of transitional inter-organisational structures (steering groups, working parties, informal meetings, consortia. etc.) during periods of institutional change or crisis to develop:

(a) new mutual models or frameworks of understanding and action which are secured by a common (albeit contested) belief in their appropriateness, adequacy and legitimacy,

(b) to facilitate the development of new informal inter-organisational networks and, where appropriate, new organisational structures, and

(c) to use scarce resources more effectively.

From the foregoing, it can be seen that this case study seeks to explore how actors' conceptions and decisions about training inputs into a range of developmental processes are shaped by a context where ultimate control of development possibilities and institutional boundary setting is externally located. Furthermore, it is a context where conceptions about training and training decisions are expressions of norms, values and models structured by and structuring intra- and inter-institution relations, processes and political alliances across these externally set boundaries and possibilities.

The aims of the case study are:

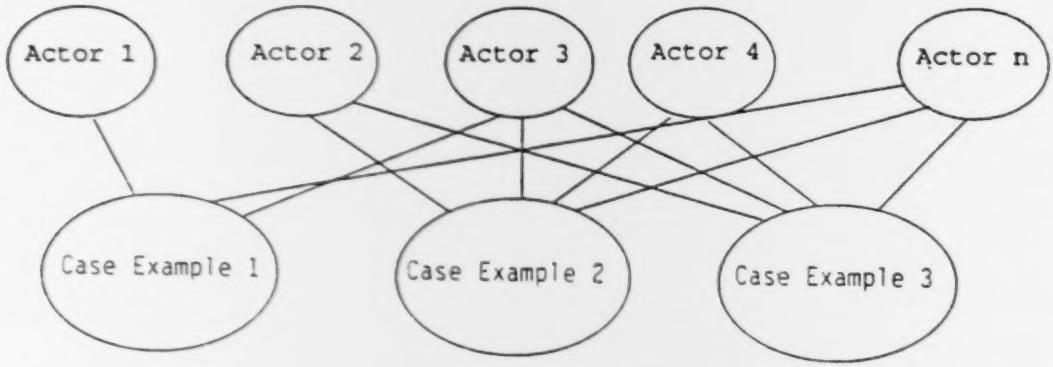
- To make explicit the models or frameworks held by different actors and institutions significant in the regional development context that **they see** as linking vocational training and human resources with regional development;

- To clarify how the main actors and institutions use information to guide their planning and decision-making with regard to vocational training in the context of regional development;

- To analyse the inter-institutional networks and behaviour to show how the negotiations, trade-offs and respective 'zones of influence' between institutions active in regional development mediate or modify decision-making processes with regard to training and human resources.

In the light of the outputs of Phase I[1] and following the above discussion it was decided that answers to the key questions concerning Phase II would best emerge through examining the system in action. It was decided that the extensive interviews of regionally-based actors should take place in the context of broadly-based case studies, thus allowing models and frameworks, inter-institutional articulation and uses of information to be understood in action. The broadness of the case study which is m ade up of seven case examples (outlined below) makes sense and is possible due to the multiple responsibilities and roles of regional actors and institutions.

The relationship between these case examples and the actors is illustrated in the following diagram.



Copyright: The Tavistock Institute

Interviews and documentary review in each case example focused on

(1) organisational actors' perceptions of development processes and the possible contribution of training to those processes; how organisations perceive their contribution to these processes; and how they perceive the roles of other organisations in contributing to these processes; and, finally, their perception of the appropriate level of coordination between their organisation and other organisations.

---

1. During Phase I it was found that, inter alia, there was a high degree of overlap in the functions and competences of key individuals and organisations dealing with vocational training and/or regional development in mid-Wales, with certain key actors and institutions combining a number of different responsibilities and roles. It was also found that many issues of innovation and development involving new organisational arrangements and decision making processes were dealt with in a problem centred manner. The use of information sources, and planning and decision making processes was observed in some cases to be shaped by problems more than by formal institutional arrangements particularly in cases of inter institutional action. Further, the mid Wales region, in common with the rest of the United Kingdom, has recently undergone fundamental institutional restructuring in the delivery of vocational training and new inter organisational networks and structures (possibly transitional) are emerging. Associated with these new networks and structures is the development of new models or frameworks held by the actors and institutions involved. Equally many of the pre existing procedures of decision making are or are becoming redundant.

(2) **Field work also examined the system in action. What actual coordination/consultation exists? What joint actions are being taken? What has happened in the past? (Fieldwork included observation of inter-organisational meetings).**

In the rest of this section we present the seven case examples of training systems, human resources and regional development in Mid-Wales, viz:

- Case Example One: Welsh language and culture as a development resource: the case of Menter a Busnes

- Case Example Two: Adult training in the county of Powys

- Case Example Three: Integrated development at community level

- Case Example Four: Sectoral initiatives - the case of tourism

- Case Example Five: Confronting a crisis - the case of Trawsfynydd

- Case Example Six: Regional economic development - the case of support for industrial investment

- Case Example Seven: Enterprise support mechanisms

We view each case example as a systemic episode, that is, each study embodies the dynamics of the system in action. Each case study is summarised under common headings:

- The socio-economic problematic in human resource terms which is being confronted.

- A mapping of the agencies concerned

- The training frameworks deployed

- The regional development processes at issue, and

- How can such a case be evaluated?

9.2 Seven Case Examples

Case Example 1: Welsh Language and Culture as a Development Resource: The Case of Menter a Busnes

The Mid-Wales region is the home of significant communities of indigenous Welsh speakers. About half a million speak the language throughout Wales and for some it remains their first language. Although the language is the most obvious expression of community identity, it is only one part of a wider Welsh culture. This culture and the communities that support it have been in long term decline as a result of over 100 years of out-migration - the population probably peaked in the mid 1860s. In the 1970s and 1980 Welsh speaking communities have been further undermined by large inward movements of people from England. The economic development of Mid-Wales has concentrated on the east of the region, especially around Newtown. Fewer resources have been directed to the more remote and more western parts of the region where Welsh speakers tend to live.

Over the last 20 years there has been a renaissance in Welsh language and culture - in part a reaction to the 'English invasion'. This renaissance has taken several forms, ranging from pre-school Welsh nurseries to militant opposition to English owners of second homes. Welsh language campaigners have succeeded in setting up a Welsh language TV channel (S4C) and in lobbying for the right of Welsh people to follow a school curriculum in Welsh. However, business has continued to be seen as an English speaking domain. Welsh speaking communities which have traditionally valued education have seen it as a cultural and academic rather than as an economic or business medium. (The able Welsh child would always, according to folk lore, wish to become a teacher rather than an entrepreneur.)

In the mid 1980s key individuals involved in new business start-up in the Mid-Wales region began to confront this phenomenon. They were concerned that unless Welsh communities had sound economic base they could not survive. Furthermore, they were concerned as much with growth and modernisation as with survival. Some of the cultural expressions of the Welsh renaissance had distinctly conservationist overtones. The motivation of this group was, by contrast, more forward looking: to help half a million Welsh speakers realise their full potential in economic as well as social and cultural terms.

'Menter a Busnes' was set up in 1989 with two aims: to educate and raise awareness; and to develop new economic activities. The ***awareness*** strand of work has sought to overcome negative stereotypes and promote positive 'role models'. This has involved *media coverage* on TV, radio and print media on small business issues drawing on existing Welsh experience. *Community based* ways of raising awareness have included role playing exercises to encourage people within existing community organisations to think about the local economy and producing practical booklets on local projects. *Education* links with schools, colleges and universities have also been pursued, as have training links with the Welsh Tourist Board. Many of the above activities are joint - with existing agencies in local government, the media and the private and voluntary sectors.

The second main aim of Menter a Busnes seeks to *develop a new enterprise infrastructure* again by working with existing agencies, e.g Enterprise Agencies, TECs and the Development Board for Rural Wales. Welsh language material is now produced for people starting their own business, informal meetings and networks have been set up to articulate training needs and plans are underway to mobilise local savings to provide capital for Welsh enterprises.

Although Menter a Busnes is located in the Mid-Wales region, it sees its remit as national (i.e. covering all of Wales) and not just regional. Thus there are significant Welsh speaking communities in South and North Wales which constitute an important and complementary resource for the modernisation of indigenous Welsh society.

Case Example 1 : Summary Analysis

1. ***Socio-Economic Problematic***

This centres around the long term decline of indigenous Welsh speaking communities and the need to modernise their communities if they are to survive. Problems specifically include:

- the dominance by the incoming English of the world of commerce;
- traditional and preservationist attitudes among Welsh speakers;
- the opportunity to modernise Welsh society through the medium of business, commerce and enterprise;
- the geographical bias of existing economic development agencies toward the east of the region which is English dominated;
- the inappropriateness of existing advisory and support networks to Welsh speakers.

2. ***Mapping of Agencies Involved***

The founder of Menter a Busnes was previously involved in community development (community arts) and headed up business advice for new business start-ups in the Development Board for Rural Wales. The DBRW, together with the Welsh Development Agency, have core-funded the new agency though this has been supplemented by fees and projects by other backers. The overall orientation has been to avoid duplication and work collaboratively with a host of agencies: District and County Councils, Training and Enterprise Councils, the media and educational institutions.

3. ***Training Framework***

As much educational and awareness raising as skills oriented. The main focus of Menter a Busnes' activities is at a very early stage in the economic development cycle and is mainly concerned with promoting self confidence and spreading information. More formal training approaches involve

i supporting existing Welsh business people to articulate their needs and

ii ensuring that existing training material is available in the Welsh language.

4. ***Regional Development Issues***

Menter a Busnes, whilst distinctive in its commercial and business focus, is part of a wider Welsh language network of initiatives and activities: cultural and social as well as economic. It is also one of a number of initiatives that are seeking to promote indigenous development at a grass roots level, away from traditional centres of growth. It takes a national rather than a regional role even though it is based and most active in the Mid-Wales region. Among the issues it raises are:

- the extent to which economic development can only work if it is part of integrated development;

- the distinctive social, cultural, linguistic and economic contribution of the indigenous Welsh;

- the extent to which regional development in Wales is therefore itself different and distinctive - in its goals, values and means;

- the changing boundaries of the regional system (in this case to include South and North Wales) depending on the main focus of development activity.

5. ***How Can Such a Case be Evaluated?***

Menter a Busnes is concerned to evaluate its own effectiveness. It monitors its own outputs (e.g. media coverage, contacts made, materials produced) and uses outside expertise, including university departments and market research companies, to undertake more fundamental evaluations. For example, the response to advertising campaigns has been studied; and census information and attitude surveys have been analysed to provide a base line against which subsequent changes can be measured.

Two aspects of a comprehensive evaluation appear to remain problematic. First, how does one disentangle the contribution of Menter a Busnes from the Welsh language based development initiatives and indeed other general community development initiatives that are not exclusively economic. Second and not unrelated to the previous evaluation problem, how can one demonstrate, identify and learn about the distinctive Welsh cultural and language dimension to regional development? This falls very much within the 'learning' paradigm of evaluation that requires fora for reflection and exchange that both digest more routine evaluation data and clarify the emerging shared understandings among practitioners and participants in this and related Welsh language initiatives.

Case Example 2: Adult Training in the county of Powys

The adult unemployed and, in particular, the long term unemployed, are generally the less skilled and less qualified among the workforce. For this reason, attempts to insert the adult unemployed into the labour marked have evolved in the UK towards a mixture of subsidised work placements and training, geared to the enhancement of skills. Employment Training (ET) is the main such national programme for the adult unemployed. Like other national training programmes, ET is administered at a local level by TECs (Training and Enterprise Councils) and delivered via local 'agents' who may be employers, local authorities, training associations or the like.

At neither a national nor Welsh level has ET been an unmitigated success. Thus in the County of Powys only 40% of adults find long term employment following their participation in ET. Nor has the training performance of companies been satisfactory for the unemployed or ET placements. Though poor commitment to training is seen as a more extensive problem not confined to responses to the unemployed.

The emergence of TECs has provided the opportunity to review and modify the ET programme: TECs are intended and empowered to provide more flexibly locally relevant versions of national programmes.

The County Council (Powys) has, over the years, accumulated a range of labour market and training related functions often as an adjunct of its education responsibilities. These include the Careers Service (mainly but not exclusively directed towards young people); and an Adult Guidance Unit. Powys CC has also been an agent for both ET and national youth training programmes (YT) as well as for 'job clubs', another national (Employment Department) initiative for the adult unemployed.

The County Council has been forced to reconsider and reorganise its own vocational training functions for a number of reasons. Funding pressures on local authorities have made them seek additional resources. TECs have emerged as a major source of such additional funding as the successor body to the central government department previously responsible for training. The government has recently begun the process of removing Careers Services from County Council control. This poses especially serious problems in rural areas where the potential alternative base for the Careers Service is weak.

The conjunction of these various circumstances , i.e.

- the emergence of TECs;
- dissatisfaction with adult training for the employed and unemployed;
- funding pressures on County Councils; and
- moves to relocate the Careers Service;

has led to two linked innovations, one institutional and one concerned with training provision.

First, a new organisation is being created, jointly managed by Powys County Council and Powys TEC. The new unit will take responsibility for the County Council's training and labour market functions including 'agency' functions, i.e. the local delivery of TEC administered national programmes. Second, a new local programme has been designed, an 'Employers' Compact' which simultaneously seeks to improve the ailing ET programme for the adult unemployed **and** exercise leverage on employees to improve training for other existing employees. (The system works through cash grants towards training offered to employers for every unemployed placement they provide). At the time of writing, the inclusion of various agricultural training activities is under discussion.

Case Example 2 : Summary Analysis

1. ***Socio-Economic Problematic***

This centres around the training and retraining of adults and the means to have

- the re-insertion of the adult unemployed into the labour market;
- the present inadequacies of training for those both in and out of employment;
- the need to upgrade skills so that existing firms can modernise;
- the need to protect and extend career guidance for local citizens;
- the rural milieu of the county and the associated high costs of delivering training;

and

- central government initiatives to restructure the responsibilities of regional and local agencies.

2. ***Mapping of Agencies Involved***

Primarily the County Council and the Training and Enterprise Council for Powys. It is worth noting that Powys TEC is one of the smallest in the UK and overlaps entirely with the County Council area. This has made cooperation easier. Cooperation has been further eased by good personal networks at various levels across both the County Council and the TEC. Other agencies and institutions are likely to become involved in the future - e.g. the Agricultural Training Board. Employers are also being mobilised via the scheme.

3. ***Training Framework Deployed***

The County Council's interests in training and related labour market initiatives have grown out of its education functions. It tends to see training as a service to citizens (i.e. individuals). The TEC which, like all others is 'employer led', has a built in focus on firms rather than individuals. The County Council has, however, moved towards a more comprehensive understanding of

training, i.e. that it needs to be seen as part of social and economic (e.g. infrastructural) developments. The TEC has a more constrained role with training at its core and economic development only seen in the particular terms of enterprise/business growth.

4. ***Regional Development Issues***

These include:

- the modernisation and competitiveness of local firms;
- enhanced skills and income levels for local citizens;
- an adequate infrastructure for adult and continuing training and education;
- institutional cooperation across sectors;
- improving the efficiency of training delivery;

and

- tailoring national programmes to local needs.

Initiatives such as this are clearly only one part of the overall regional development jigsaw. It requires parallel initiatives to develop infrastructure, encourage industrial investment and attract new employment. However, there is an explicit recognition of the regional development dimension of these initiatives for adult training.

5. ***How Can Such a Case Be Evaluated?***

Some of the objectives of the scheme lend themselves to relatively clear assessment of achievement. For example, assessment measures might include:

- the range and number of the placements with employers available to local adult unemployed;
- the numbers and proportions of those placed who gain secure employment;

and

- improvements in the quality and availability of adult training to those employed in participatory firms.

As always with training evaluations, the longer term consequences are more difficult to assess. These would need to include:

- evidence of the modernisation of participating firms centred around their human resource policies;

- evidence of the enhanced competitiveness of participating firms;

and

- general upgrading of adult skills together with associated increases in incomes.

Whilst the initial set of objectives could be monitored and assessed quantitatively the second set of longer term consequences would require more selective and qualitative evaluation (e.g case studies or panel studies of adult 'cohorts').

In addition to the assessment of objectives achieved, the evaluation would need to include the adequacy of the implementation and delivery mechanisms employed. For example:

- How stable and effective is the partnership between the TEC and the County Council?

- How legitimate will that partnership become among employers, individuals and training professionals?

At its most ambitious, an evaluation would also need to ask what we have called 'learning' questions. For example:

- Is the TEC/County Council partnership and the Employer Compact providing forums and mechanisms for new norms and understandings of training to emerge?

- What is the evidence that such new norms and shared understandings are emerging both among participating firms and among employers and individuals?

This third level of evaluation would require a contextualisation of the scheme. i.e. it would need to be seen in relation to other human resource and regional development in the County and to other changes outside the County. The unit of analysis for an evaluation at this level would need to be broader.

Case Example 3 : Integrated Development at Community Level

Wales, like Scotland and Northern Ireland, is a region of the UK with its own semi-autonomous government and its own regional development function. This reflects both their long term economic and employment problems and their potential sensitivity to London based authorities.

In Wales there are two development agencies: the Welsh Development (WDA), responsible for the southern and northern, mainly urban, industrialised coastal belts and the Development Board for Rural Wales (DBRW), responsible for the rural interior. The WDA, however, also covers extensive rural areas. Both the WDA and the DBRW grew out of regional development policies in the 1970s that emphasised the provision of factories and workshops often for firms attracted to the area by low rental and labour costs and other subsidies. The popular image of both agencies, despite considerable diversification of their activities, remains one of 'builders of factories'. However, the emergence of indigenous philosophies of development, expressed in

terms of new enterprise start-up and strengthening of existing firms, has engaged both development agencies in work that is increasingly local and community oriented. The first 'wave' of indigenous development activity focused on relatively obvious target groups and communities. Thus in the mid 1980s many people were eager to set up their own businesses and needed advice and support.

There were also some communities where the degree of mobilisation and organisation made them well prepared to participate in economic development activities - often through a local 'enterprise agency'. However, by the late 1980s, it was becoming obvious that the involvement of indigenous communities, especially in rural Wales, was, at best, uneven. Development efforts had found a more ready response in the east rather than in the west of the region and among English speakers rather than Welsh speakers.

The second 'wave' of indigenous development work has therefore needed to grapple with more isolated communities with less self-confidence and relatively marginal to the mainstream.

Much of this work has crossed the boundary between economic, social, cultural and community development. There seems to be a consensus view in Wales that for the more isolated and disadvantaged localities, development has to be seen as an *integrated* process. This involves a blurring of boundaries not only between economic and social, but also between cultural, environmental, educational and training initiatives. Such an approach poses problems for many agencies, including both the WDA and the DBRW. Thus, both agencies previously have been internally organised along functional rather than territorial lines with relatively little integration between the activities of different departments as they affect any one locality. The DBRW does have a social remit however which the WDA does not. The WDA therefore faces additional legal and statutory difficulties when it pursues economic regeneration through the development of a community. Despite these difficulties, both agencies have initiated integrated community level schemes in recent years.

The Development of Rural Wales Act (1976) established the DBRW "for the purpose of promoting the economic and social well-being of the people in the area". The current corporate plan talks of "improving the quality of life" as part of its "social remit" and sees this as "complementary to its economic work". For the most part, social programmes have concentrated on supporting the physical amenities of leisure; support for sports recreation and cultural activities and clubs; and local events and festivals. The broad justification for these programmes has been the importance of those living in Mid-Wales enjoying amenities and equality of life equivalent to other UK citizens.

The economic work of the DBRW takes many forms - most prominently still, building premises but also marketing the area nationally and internationally[1] and supporting the start-up and growth of local businesses.

---

1. Using Welsh Development International, a dedicated agency for this purpose.

As the DBRW has come to direct more of its attention to more isolated parts of the region, what constitutes economic development has become less clear cut. Examples of a shift towards more integrated development are numerous:

- many expansions of sports and leisure facilities benefit both local people and potentially benefit visitors and tourist;

- a 'local' office away from the present HQ of the DBRW takes a more 'territorial' and integrated view of local needs;

- the DBRW's working with local young people and local schools has social, cultural and educational, as well as economic, objectives and pay-offs.

A particular instance in one isolated area bears elaboration. This small town has experienced long term decline as firms have closed, services have been withdrawn and agricultural activity has declined. The population of this town, largely Welsh speakers, has tended to equate development with creating opportunities for the incoming English. Even tourism projects have been viewed with suspicion for the same reason. However, some local community leaders have been seeking ways of reversing the town's decline for many years, in particular by attracting outside development resources. Despite set-backs to various schemes, workshops have been built in the town by the DBRW. Yet these have remained empty. It is now recognised that for economic developments to succeed, the town needs first to create an ambience in which socio-economic initiative occurs. A joint economic and social development post has therefore been created by the DBRW in the town. The post-holder expects to work with local representatives (including County and District officials) and more directly with local community members to mobilise local ideas, schemes and initiatives. Indirectly it is hoped that these activities will also lead to some practical and economic uses being found for the presently vacant workshops.

A very similar logic underlies recent initiatives of the WDA. These have started from the assumptions that, unless local people are enthusiastic in their support of economic developments, these developments cannot succeed. The WDA has therefore launched its 'Rural Prosperity Programme' (RPP) in rural communities that have not, up to now, been among the main beneficiaries of WDA development activities which have been concentrated in the urban/industrialised belt . This programme is, to some extent, a departure for the WDA because of the integrated appr . ach being adopted. As its policy document states, "there is no single activity that can secure the prosperity of a region; a range of business, environmental and social activities need to be implemented in an integrated planning process". An important part of the RPP involves the preparation of local Action Plans in selected action areas which have the support of public, private and voluntary bodies as well as of community groups, as well as sectoral programmes throughout the WDA's rural areas. The WDA sees itself as operating as a catalyst with many of the projects that come forward being funded wholly or in part by others (e.g. local government, the Welsh Tourist Board, Health Authority, etc.). It also sees itself as a catalyst in bringing together local people and agencies with the incentive that projects will only be supported if there is local agreement.

Case Example 3 : Summary Analysis

1. ***Socio-Economic Problematic***

Neither the provision of premises ***per se*** nor other direct economic initiatives (e.g. support for new businesses) appear to be adequate to promote development in the most isolated/underdeveloped communities. Policies that have proved effective elsewhere have had to be modified in order to have any impact away from the mainstream. Furthermore, many agencies are paying greater attention to less developed communities than hitherto - arguably because the supply of more responsive, easy-to-develop localities have been exhausted but also for the WDA to explicitly counterbalance the ongoing, well articulated demands of the deindustrialising southern Valleys.

2. ***Mapping of Agencies Involved***

All agencies are, to some extent, affected by these changes, e.g. District and County Councils, Tourist Boards, TECs, other arms of government and voluntary sector agencies. However, it appears that the main regional development agencies - the Development Board for Rural Wales and the Welsh Development Agency - have taken an especially active role. They are well placed to act as a catalyst both within communities and among the other agencies with responsibilities for these communities.

3. ***Training Framework Deployed***

There is little or no explicit emphasis on training, as yet. However, there is considerable emphasis on learning. Informally, this is expressed via 'social learning', i.e. how to mobilise enthusiasm, promote initiative and create a milieu in which new ideas come forward. More formally, the education system is often an active partner in community level development.

4. ***Regional Development Issues***

Regional development is conceived of as an indigenous, bottom up process. The input and support of local people is critical and ideas of self-help and self-sufficiency are also important. Development is seen as an integrated process that necessarily cuts across social, environmental, cultural, educational and economic domains. To an extent, there is even a tendency not to begin with economic activities on the grounds that pre-conditions for development have to be achieved first before tackling economic concerns head on. Community level initiatives often emphasise the distinctive features of communities as a basis for that development. Integrated community local initiatives constitute a clear reaction to physical development (of premises, land and amenities) as the first step in the development process. However, new building and physical amenities remain important but are seen as following on from community based mobilisation and intervention that identifies facilities that will be used.

5. *How Can Such a Case Be Evaluated?*

Conventional evaluation approaches assess outputs frequently in quantitative terms. It is difficult to apply such evaluation paradigms to community level initiatives. For example, development activities and their consequences in particular communities tend to be unique or, at least, insufficiently recurrent to be described statistically. In addition, the time scale for these kinds of interventions are more extended than for other forms of development work. It is usual for the agencies whose support is necessary for community level initiatives, to operate within such extended time scales. Results are needed in the short term, often to match electoral cycles. Thus, although the most appropriate evaluations are those that focus on *processes* (of intervention and mobilisation), and on the *complex and qualitative* rather that the *simple and quantitative*, there are strong resistances among the various stakeholders involved to this type of evaluation.

However, it is important to recognise that complex qualitative phenomena **can** often be described in statistical terms, or, at least, indicators can be constructed. However, this requires innovative and highly skilled evaluators to be in place - often difficult even if only for cost reasons.

This kind of case example raises to a high degree problems of synergy and interaction: how to understand the way interventions in different domains together effect change.

Finally, there is the question of who such an evaluation is for. Within the frameworks we have adopted, the most appropriate purpose of such an evaluation is to enhance learning. As we have noted, social learning is itself part of the development process. Thus participants in the development (the citizens, groups and agencies active within the focal community) themselves need to be seen as beneficiaries of the evaluation.

Case Example 4 : Sectoral Initiatives: the case of tourism

This case example which looks at sectoral initiatives in regional development, focuses on the example of tourism.

In the Mid-Wales region agencies with responsibility for economic development confront an economic structure characterised by numerous, fragile, small, isolated firms operating in fragmented, often poorly developed markets. One policy response to this is initiatives in various economic sectors aimed at grouping together firms in response to market opportunities. These initiatives may aim at product development, product promotion, improved quality of product and service, etc, as found appropriate in that sector. Typically these initiatives in Mid-Wales focus on joint market development activities joining together multiple firms in a common strategy. From the support agency perspective, a sectoral initiative may consist of support or sponsoring of joint actions (e.g. an industry body) or financial support for particular joint actions (e.g. an advertising campaign). Alternatively, a sectoral initiative may be led by a public sector agency which seeks to encourage similar activities (e.g. product innovation or process standards) in firms across a sector.

In Mid-Wales attempts have been made to capitalise on the region's natural economic advantages and to revitalise existing industries. Initiatives have been launched, for instance, in the areas of food processing (distinctive high quality regional food products), agricultural diversification (new land based industries) and tourism (moving tourism up-market).

Tourism in Mid-Wales largely came into existence in the 19th century with the coming of the railways and the beginnings of a mass consumer society. At a a time when the great seaside resorts of Britain, such as Blackpool and Brighton, were under development, tourism in Mid-Wales was focused on spa towns (such as Llandrindod Wells and Builth Wells), seaside resorts (Aberystwyth, Tywyn, Barmouth) and the natural environment (Snowdonia, Brecon Beacons). Though the spas declined, this pattern persisted into the 20th century augmented by a growing interest in the latter half of this century in cultural or 'heritage' tourism which Wales, with its distinct language and history (and numerous historic buildings) was seemingly well placed to exploit. A further development was an expansion in tourism based on the natural environment and 'country living' taking the form of increasing numbers of English owned 'holiday homes' in the area. However, in recent decades with a UK wide fundamental restructuring of tourism in the face of the availability of cheap holidays in warmer countries, Mid-Wales with its poor transport links was ill placed to compete for the weekend or day trip tourism which was becoming a mainstay of the British tourist industry.

The tourism industry in Mid-Wales is characterised by small scale family businesses (hotels, guest houses, restaurants) traditionally catering to a middle income market, with a distinct up-market 'country house hotel' segment. There is also a large Butlin's holiday camp in Pwllheli.

Sectoral initiatives in tourism in Wales have traditionally been led by the public body formed for this purpose - the Wales Tourist Board (WTB) - acting in concert with the private sector and other public bodies. Until August 1991, the WTB had its headquarters in Cardiff and three regional offices, one each for North (Colwyn Bay), Mid (Machynlledd) and South Wales (Swansea). Their activities mainly consisted of market research, promotion and marketing activities within and beyond Wales, the running of Tourist Information Centres and advisory services (i.e. tourism business development). Since then, North Wales Tourism and Mid-Wales Tourism have become companies limited by guarantee with core funding from the WTB. The directors of Mid-Wales Tourism are drawn equally from industry and local authorities along with a representative of the WTB. Independent status allows Mid-Wales Tourism to undertake a range of commercial activities not open to a public agency, including contracts to deliver youth training programmes in the tourism area for Powys TEC and an expanded role in business development consultancy.

Mid-Wales Tourism sees its role as continuing to develop its traditional (WTB) areas of activity, while developing new areas and services either commercially or through greater mobilisation of local tourist interests. Mid-Wales Tourism's underlying strategy is a qualitative market expansion through developing more 'up-market', higher added value tourism. Particular initiatives include (a) mobilising opinion through a membership scheme (several hundred members) and advisory fora (e.g. marketing panel, training panel, development panel); (b) promoting service quality (Welcome Host' Customer Care Scheme); and (c) joint marketing initiatives.

Mid-Wales Tourism's role - which is furthering the tourism interests of the industry at large and the tourism interests of local people (represented by their local authorities) - is contrasted by the more selective interventions in tourism open to the DBRW in its economic development role. The DBRW, working with Mid-Wales Tourism and the private sector, targets resources on particular segments of the market providing resources for capital investment linked to marketing strategies as, for example, in their 'Welsh Country Houses' scheme.

Case Example 4 : summary analysis

1. Socio-economic Problematic

The socio-economic problematic centres around the need to modernise the traditional tourist industry so as to make use of the region's comparative advantages while not damaging the region's sensitive (cultural, social and physical) environment.

Specific problems include:

- the potential social damage of English speaking holiday enclaves in Welsh language areas;
- the cost and inadequacy of transport links to the region;
- the need to make family businesses more dynamic;
- the need to introduce new entrepreneurial capital into the industry;
- the need for common private/public strategies for the development and marketing of the regions's tourism.

2. Mapping of the Agencies Involved

The main agencies involved in tourism in the region are the local authorities, local TECs, DBRW, WTB and Mid-Wales Tourism. Of these, Mid-Wales Tourism which represents both industry and the local authorities is the central strategic forum and operational focus. The DBRW, by virtue of its capacity for devising and funding major initiatives and its wider role in socio-economic development, is the other major agency. The immediate inter-agency challenge is to devise distinctive Mid-Wales strategies for tourism development in keeping with the region's nature and needs. The TECs are central to tourism support as can be seen from the following section.

3. Training Framework

The training framework is concerned with four main areas:

- providing specialised skilled labour to the industry such as culinary skills - the industry has access to a range of specialised training institutions, mainly Colleges of Further

Education, both within and immediately beyond the region, which provide a comprehensive vocational education infrastructure,

- tourism business management and development skills,
- standards and accreditation related training for customer care and service
- and, training related to specific initiatives (forms of diversification or new product development).

4. Regional Development Issues

The development of the tourism industry is widely recognised as having major development potential for the Mid-Wales region. However, this recognition is tempered by an acceptance that tourism can have potentially detrimental side effects for the fabric of rural communities. Intensive rather than extensive development is seen as the way forward for the industry and strategies are aimed at qualitative growth in the market through higher valued added activities, catering for more up-market consumers. Issues that arise from this strategy are:

- the provision of adequate and appropriate infrastructure (leisure facilities, communications, etc.);
- protection of the natural environment and improvements in the built environment;
- co-ordination of tourism strategies with other regional development objectives;
- capital investment;
- joint private sector/public sector planning and implementation of marketing;
- raising process and product standards;
- developing the capacity of the region's tourism enterprises for mutual self-reliant/self-sustaining developmental action.

5. How Can Such a Case Be Evaluated?

The effectiveness of particular promotional campaigns, products or enterprises (hotels, restaurants, etc.) can be readily evaluated by normal commercial criteria (profitability, market growth) and methods (market research). Training inputs into the industry and the contribution of the industry to broader regional development are more difficult to evaluate and require a longer term for the effects to become clear.

Evaluation issues can be divided between the evaluation of implementation processes or outcomes or results. The evaluation of results could focus on questions of the contribution of, say, training or higher quality standards to the growth and profitability of particular enterprises or industry segments or in turn on the contribution of growth in a particular enterprise or industry

segment to prosperity and employment prospects in a particular community or communities. Inter and extra regional comparative data would be important here. Evaluation of results might also involve an impact assessment of the (positive or negative) contributions tourism developments make to communities' wider social opportunities.

The evaluation of the implementation process asks about the adequacy and appropriateness of inter-agency arrangements. Of particular interest here, is the communication and collaboration between the DBRW and Mid-Wales Tourism; and between the DBRW and the local authorities and the industry itself (which lies behind Mid-Wales Tourism) in setting and operationalising strategy. The role of the region's tourism strategy as part of broader all-Wales tourism strategies is of equal evaluative interest and here relations between extra-regional parent or sister organisations is of interest (i.e. WTB and Mid-Wales Tourism and, perhaps, to a lesser degree WDA and DBRW).

The key long term focus for evaluation in this case example is the examination of evidence over time suggesting a growth in the capacity of the enterprises making up this economic sector to **mobilise and initiate** projects and strategies **themselves**

Case Example 5 : Confronting a crisis - the case of Trawsfynydd

This case study looks at the response to economic crises in the Mid-Wales region focusing on the expected closure of the Trawsfynydd Nuclear Power Station.

From time to time, a regional system, such as Mid-Wales, is subject to economic shocks both expected and unexpected. Typically, such shocks arise from a decline in demand and/or from a fall in price for an industry's products but may also arise from a closure or relocation of particular enterprises within an industry. The former case is exhibited in Mid-Wales through an ongoing agricultural crisis, common to many peripheral marginal European agricultural regions, in the progressive decline of the region's slate mining industry since the war and in the decline of certain niche markets in tourism, such as spas and traditional seaside resorts. The latter case is exemplified by the expected closure of the Trawsfynydd Nuclear Power Station.

A regional economic system responds to a shock by redistributing unemployed resources, human or otherwise, to new roles in keeping with the new economic environment's needs and opportunities. In a region such as Mid-Wales with low levels of economic articulation, the redeployment of resources and the development of new economic opportunities require concerted action by multiple agencies, such as the DBRW, Enterprise Agencies, TECs and local Authorities. As the closure of Trawsfynydd Power Station has long been foreseen, it offers an excellent opportunity to observe the responses of the various agencies and the private sector to a crisis.

Trawsfynydd is an electricity generating station using nuclear power, located in Meirionnydd, one of the remotest districts in rural Wales. It employs approximately 600 workers mainly in highly skilled jobs. Wages are high by the standards of the area. Many, if not most, of the skills employed appear to be non-transferable within the local economy. The station has been in operation for over twenty five years and is expected to cease to generate electricity in 1995.

Significant employment loss is expected after 1995 as operations are wound down with only a handful of staff remaining by the year 2000. Currently the station is not producing electricity due to corrosion problems and a date for the resumption of production is unclear.

A recent strategy document [1], reviewing the results of a previous economic study, summarised the position thus:

> "In 1985, the Institute of Economic Research produced a report on the Economic Impact of Closure (without replacement) of Trawsfynydd Power Station.[2] This multiplier Study provides a broad outline of job loss - direct and total.
>
> - The power station provides direct employment for some 600 people, mostly males in an area where well paid, regular employment is not easily come by.
>
> - A further 300-400 equivalent full-time jobs are indirectly supported by the power station.
>
> - Taking account of family size, the total population which is in some way dependent on the power station is almost 3 thousand.
>
> - Trawsfynydd Power Station accounts for 1 in 5 male employees working within the Porthmadog and Ffestiniog Travel to Work Area. The power station workers in the local economy, approximately 1 in 4 male jobs in the Travel to Work Area rely on the power station.
>
> - At Trawsfynydd an exceptionally high proportion of the labour force (71%) is of local origin. Many of these are members of Welsh speaking families. They live in Welsh speaking communities and their children go to Welsh speaking schools. The ties to the local economy are likely to be strong. The multiplier study suggests that the proportion of the labour force willing to transfer out of the area is likely to be lower in Trawsfynydd than in other power station closures.
>
> The Multiplier Study indicates that the task facing the relevant interest grc .ps and local communities is severe. In an area with limited alternative employment opportunities the loss of approximately 600 direct jobs and roughly 960 jobs in total is significant. The most obvious mitigating factor is the extended time scale of employment loss.

---

1. Trawsfynydd - An Economic Development Strategy prepared for Meirionnydd District Council and the DBRW by the Institute of Economic Research, University College of North Wales, Bangor, 1990.

2.Lewis, P.M. (Institute of Economic Research). The Economic Impact of Closure (without replacement) of Trawsfynydd Power Station, 1985.

There is a five year gap to the first employment loss, with the run-down to closure taking a further five years. The Trawsfynydd shut-down will be very different to most contractions. It involves a series of employment shocks, with time to prepare for the first."

In many ways, the Trawsfynydd crisis sums up the broader development crisis in rural Meirionnydd. Meirionnydd exhibits all the symptoms of the contemporary agricultural crisis in remote rural areas. Meirionnydd is suffering equally the effects of the long term decline of its traditional industries, particularly state mining. To an extent the Trawsfynydd power station was itself a replacement for the many jobs lost in the state mines after the war. There appears to be a consensus in the area that the solution to the development crisis in Meirionnydd must include new industrial activities as well as enterprise based on the environment and the land. However, environmental sensitivities as well as transport problems rule out any new large scale heavy or extractive industry. At the same time, the preservation of the distinct rural Welsh and Welsh language characteristics of the area require that the demographic consequences of economic change be taken fully into account in any development strategy.

In Meirionnydd the local District Council and the DBRW have been the main actors seeking to prepare for the eventual closure. More recently, a local enterprise agency, Antur Dwyryd, has sought to mobilise all concerned parties towards concerted action. At a political level the members of the District Council are very concerned about the closure. In the mid 1980s the district council and the DBRW co-funded and published a research project into the consequences of closure. This was followed up in 1990 by the publication of a development strategy to handle the consequences of closure. Publication of this document was seen as much as a political intervention to bring pressure to bear on relevant agencies, particularly central government to release resources, as it was a plan of action. However, as a plan of action, it provides a reference document for meetings drawing together what the District Council sees as the relevant agencies - local authorities, enterprise agencies, development agencies (Trawsfynydd lies near the boundary between the WDA's area and the DBRW's area) and the local Training and Enterprise Council.

Meirionnydd has seen an increase in concerted development activity in the past two years. The reasons for this at a policy level have been:

- The new statutary economic development functions of Local Authorities
- The launching of the DBRW's western initiative
- The launching of the WDA's rural prosperity programme
- The legislation creating Enterprise Agencies.

In the Trawsfynydd area the enterprise agency, Antur Dwyryd, has been widely acknowledged as a catalyst for action and an operational focus for other agencies. Antur Dwyryd, through a series of reports, newsletters and a recent conference, has given development issues in the area a consistently high profile. At the recent conference, 'Looking to Dwyryd in the '90s', the Chairman of the DBRW and the Minister for State at the Welsh Office were able to announce a number of industrial initiatives in the area. In particular, the Minister noted,

> "The Penrhyndeudraeth Business Park is a vital resource for the area with the future unclear on possible closure of Trawsfynydd ..... no decision (has been) made but if it happens, WDA and DBRW are in place with support structures."

The Trawsfynydd crisis was foreseen, research commissioned, decisions made and action taken. In an area with very limited public and private investment resources existing and new programmes in economic planning, industrial development, enterprise support and training are being concerted in an effort to 'bootstrap' the local economy. It remains to be seen how far these efforts will succeed in ameliorating the effects of the Trawsfynydd closure or resolving the development crisis. Clearly, local decision makers themselves see these efforts as critically requiring supporting policies, particularly the proper development of the A470 North-South road. Private sector/public sector partnerships are also important and launching or relaunching trade associations, such as Chambers of Commerce, is seen as a step towards this. Already in the area, a successful partnership is developing between the WDA and a revitalised Portmadog Chamber of Trade.

A training and human resource dimension was explicitly embedded in the Trawsfynydd economic development strategy and close liaison foreseen between the Trawsfynydd project team and Targed, the North West Wales TEC. One explicit purpose of the strategy development process was to reconcile the Trawsfynydd development option with Targed's business plan:

> "The run-down of Trawsfynydd implies close liaison between a Trawsfynydd project team and the North West Wales TEC to plan and coordinate the delivery of training services associated with the development option. This implies a clearly defined strategy aimed at the four broad groups to be involved:
>
> - indigenous companies
> - displaced workers from Trawsfynydd and elsewhere
> - new entrants to the labour market
> - incoming companies.
>
> The development option will also require an effective delivery system for a wide range of business advisory and training sectors. There are a range of 'software' (human resource) needs which require consideration, namely:
>
> - enterprise training

- business advice and support services

- advice to smallholders and small businesses who wish to diversify

There are three possible roles for local TEC:

1. social - improving access to economic opportunities

2. strategic - influencing the pace, nature and direction of economic development

3. economic-making labour markets work better."[1]

The above quotations suggest a sensitivity to the requirement that training, if it is to be useful, must contribute to a human resource formation which is applicable to local socio-economic conditions. We found this attitude to be widespread among the decision makers we talked to. Conceptions of the role of human resource development were expressed in terms of leadership and entrepreneurship and business skills. (The Chairman of the local TEC, for example, is sceptical of the usefulness of industrial developments who do not have 'headquarters' functions).

Although the Trawsfynydd crisis is the ostensible reason for much recent action, it has become the occasion for collective examination and response to the general development crisis in rural Meirionnydd.

Case Example 5 : summary analysis

1. **Socio-Economic Problematic**

The socio-economic problematic consists of the loss of a major well paying industry in a fragile area already beset by a development crisis. The technological heavy industry skills of the work force are not readily transferable in an area characterised by limited job opportunities, low wages and often seasonal employment. Specific problems include:

- development of new (environmentally sensitive) industries in the area

- stabilising and rejuvenating traditional industries such as agriculture, tourism and slate mining

- providing the necessary human resources both in terms of vocational skills and business and entrepreneurial skills to allow the above to happen

---

1 . Trawsfynydd - An Economic Development Strategy prepared for Meironnydd District Council and the DBRW by the Institute of Economic Research, University College of North Wales, Bangor, 1990.

- dealing with the immediate consequences of the closure of Trawsfynydd in terms of the redeployment/retraining of the existing work force and the school leavers who might have expected to gain power station related employment

- mobilising communities to deal with the social impact of this economic shock

- reorientating the local private sector (especially the service and retail sectors) toward greater local integration and growth opportunities.

2. Mapping the Agencies Concerned

The agencies concerned with confronting the Trawsfynydd crisis are TARGED, the local TEC; the WDA and DBRW, the two development agencies with responsibilities in the area; Gwynedd County Council, Meirionnydd District Council and Dwyfor District Council, the responsible tiers of local government; and Antur Dwyryd, the local Enterprise Agency. The role of the Welsh Office, as the ultimate arbiter of resource allocations, is also important. Besides the Welsh Office, the WDA and the DBRW are the most salient agencies in terms of statutory remit and resources. However, Meirionnydd and Dwyfor District Councils and Antur Dwyryd are central to the mobilisation of opinion and the representation of the local community and private sector.

3. Training Framework Deployed

The training framework deployed focuses on two priorities, (i) alleviating the human consequences of the Trawsfynydd crisis and (ii) supporting the development strategy. Particular training initiatives are:

- Training as an entitlement of individuals (even if it contributes to out-migration)

- Training tailored to economic development plans (developing indigenous companies, supporting incoming companies)

- A particular concentration on enterprise and business training (in keeping with the thrust of the indigenous development strategy).

4. Regional Development Issues

The particular development issue in the Trawsfynydd crisis - how can the loss of a major employer in a fragile community be compensated for - is surrounded by a broader issue of development in rural Meirionnydd - how can the trends of decades of relative economic decline be reversed or managed while preserving a unique natural environment and linguistic culture. The agencies involved would like to take the option of indigenous development while recognising that inward investment is a necessary part of developing a robust local economy. Development issues in the area in operational terms include:

- Development of an indigenous industrial SME sector (wealth creation)

- Development of an indigenous service sector (market development)

- Inward industrial investment (employment creation)

- Human resource development in the community (developing innovative, organisational and leadership capacities).

More broadly, an indigenous development policy which is sensitive to environmental and cultural concerns raises issues of democratic accountability. These involve the capacity of communities to participate in the formulation and execution of strategies affecting their lives and life chances. This involves private/public sector partnerships and a central role for local authorities as the only formal institutions of local democracy but also strategies of community development in communities which are so fractured and traumatised by continual socio-economic decline so as to have fundamentally impaired their ability for self-mobilisation and self-representation.

5. How Can Such a Case Be Evaluated?

By the very nature of the development crisis, the response to the Trawsfynydd situation is necessarily general, complex, long run and embedded in broader strategies for the development of Meirionnydd and rural Wales as a whole. Thus the Trawsfynydd strategy needs to be evaluated in terms of (i) its local short term operational outputs, (ii) its local medium term outcomes and finally, (iii) its long term impacts. Taking these in turn:

(i) The evaluation of local short run outputs is relatively straightforward and considers questions such as the development or otherwise of infrastructure such as business parks, factory premises, workshops, etc. as well as communications infrastructure and environmental improvement. It also involves measures of services to businesses and employees such as consultancy, advice and training as well as provision of finance and grants. In short, the evaluation of outputs involves a feedback mechanism by which actual operations are compared with planned activities and the reasons for the divergence are observed and learnt from.

(ii) Outcomes, which include new business start-ups, growth and development of existing enterprises and the attraction of inward investment as well as an increased pool of skills, are more difficult to evaluate as it more difficult to determine the contribution of agency action to economic success in isolation from other factors. However, consideration of the counterfactual case of 'policy off' can illuminate the impact of particular measures. A key consideration in evaluating the training contribution to development outcomes is to assess the degree to which training actions are embedded within development actions.

There is also a prior evaluation issue which questions the appropriateness of the development strategies to local conditions and needs and the adequacy of the developmental response to the scale of the crisis. Although these questions can not be settled a priori or objectively the **implementation process** of strategy determination can be evaluated in terms of the degree of consultation with and involvement of the various stakeholders in the development process - local institutions, business people, workers and trade unions, communities, etc. Interorganisational relations in the design, control

and ownership of strategy, the appropriateness of the inter-agency division of labour and the coordination, concertation and mobilisation of agencies are important here. As is the capacity of agencies to mobilise social elements such as local business people, community leaders, trade unions, etc. Finally, the capacity to gain the commitment of supra-regional authorities (e.g. the Welsh Office or the European Commission) in the form of a clear and reasoned support or rejection of proposals or policies which lie within their competence is important.

(iii) The evaluation of the long run impacts of development actions is particularly difficult. One way forward is to consider the contribution of particular outcomes to more general process of regional development according to criteria such as improved economic linkages, increased career opportunities, higher wage levels, increased capacity for independent private sector action, etc.

Case Example 6 : Regional economic development : the case of support for Industrial Investment

This case example looks at the promotion of industrial investment in the manufacturing sector. The development of a strong manufacturing sector has, for a number of decades, been seen as central to economic development in the Mid-Wales region. Manufacturing is seen as a source of wealth creation and employment, replacement for declining traditional industries and the cornerstone around which a modern service sector can be built. The industrial tradition of Wales, high educational levels and relatively low wage costs in an EC location are all seen as factors favouring the location of manufacturing in Mid-Wales. Against this, the Mid-Wales region, as a manufacturing location, is hampered by inferior communications when compared with less peripheral, more densely populated regions and Mid-Wales is not able to provide the same levels of grant aid to industry as do some poorer regions of the UK and Europe. Recently, in response to criticisms and practical experience of the limited contribution 'branch plants' can make to regional development, there has been a renewed focus on developing strong indigenous firms and attracting and supporting inward investment which locates key economic functions of the manufacturing enterprise - R&D, marketing, etc. - within the region.

Industrial investment in the manufacturing sector comprises either (i) the expansion or restructuring of existing local firms (often family-owned businesses) or (ii) inward investment. Inward investment processes are characterised by takeovers of existing firms, relocation of firms into the region and, to a lesser extent in recent years, green-field investments. Investment in existing local firms is linked to competitive threats and opportunities - preserving markets by modernisation or developing new markets through innovation.

Historically, the critical bottleneck to manufacturing investment in rural Wales has been a shortage of suitable serviced sites and buildings. Due to the underdeveloped nature of the region, speculative sites and factory development were not economic propositions for the private sector. Yet such infrastructure was needed to 'kick-start' any process of wealth creation and economic development through manufacturing. In common with the rest of Wales, parts of Scotland, Northern Ireland and certain de-industrialising areas of England, the UK central government created powers and provided resources for public agencies to buy, develop, lease and sell appropriate industrial sites and factory space at a lower medium term rate of return on

capital than that acceptable to the private sector. The longer term aim was to be able to dispose of property at market rates as the region's manufacturing sector developed and matured.

The basis of industrial development support in the region is the powers accorded to the DBRW. In the support of industrial development the DBRW has specific powers and financial resources to:

- Acquire, hold, manage, develop and dispose of land or other property
- Carry out building and other operations
- Provide finance and other services for business in the area
- Provide loans and equity as an agent of the WDA

The DBRW seeks to concentrate its efforts in specified growth areas and special towns with everywhere in Mid-Wales being less than 15 miles from either a growth area or special town. The DBRW claims that this strategy is a successful means of channelling resources into centres capable of attracting and generating development cost effectively. However the DBRW is prepared to support industrial initiatives in any other location on their merits also. The DBRW's strategy is completely coordinated with the corresponding County Council Structure Plans.

Inward investment processes are characterised by very close coordination between development agencies and local authorities at all levels. The human capital base of local area economies is acknowledged widely as an important factor in this process but the actual degree of embeddedness of vocational training strategies in inward investment processes is unclear.

Promoting inward industrial development is seen as composed of three main (not mutually exclusive) functions; attracting investment, selecting and providing a suitable location/site and supporting the investment activity. Informants in both the Development Agencies and the Local Authorities agree that the two sides work together efficiently and harmoniously on the former two functions. The latter function is seen by both sides as properly the responsibility of the DBRW and, more recently, the TECs. It is felt that the TECs have a role to play in attracting industry but, due to the short time since their launch, they have had limited opportunity to demonstrate their capacities. However, in at least one case in rural North Wales, the provision of coherent training commitments by a TEC was seen as central to attracting a significant inward investment project.In this project, inward investment was coordinated by a working group composed of local County Councils, TEC, Trade Unions and WDA senior officials.

New industrial investment by existing firms is seen as a question of a client relationship between the enterprise and the DBRW, with the local authorities playing a supporting role where there are planning or infrastructure implications. In general the local authorities are seen as helpful and cooperative when their assistance is required. Recently the DBRW has sought to confront the human resource question directly by linking capital grant aid to management training and development. The TECs have assisted some of these initiatives with expertise and funding but sources suggest this has been, as yet, in an ad hoc and subordinate fashion. The TECs have

brought a new unsettling element to the former close duopoly on inward investment decisions between the Development Agencies and Local Authorities where Local Authorities were prepared to work closely with the Development Agencies but by and large leave the initiative up to the Development Agencies. Arguably this unsettling is as much to do with the growing importance of human resources and skills issues in industry as it is to do with the institutional reforms which created the TECs.

We examined a number of successful indigenous industrial investment cases in Mid-Wales in recent years these included:

- a local start up with innovative product and strong marketing growing to a size where its original owners were bought out by a multi-national in its industrial sector leaving the local management team intact but providing access to new investment capital and an international marketing network.

- a capital-intensive well established industrial concern re-equipping its plant to keep it at the technological leading edge of its industry

- a small family business with low margins abandoning its traditional markets in the face of larger external competitors and establishing a new niche market in high value added products using its traditional skills base.

These three cases, in common with many others, suggested the importance in a rural area of:

- combining investment resources with entrepreneurial competences (in a region where this human resource is rare.)

- the need to develop soft industrial resources (competences in marketing, selling, business strategy, product and process innovation as well as in management and financial skills).

Although the TECs see support for manufacturing investment as an important part of their activities and, while human resource development is widely acknowledged as an important component of manufacturing success, it is difficult for the TECs to define for themselves an appropriate role in industrial investment. The TECs' basic organisation and programmes were designed in the urban context which assumed a more or less fully articulated training system. The TECs' purpose in urban centres is to fulfil certain functions in the training system (such as the provision of labour in various categories according to market signals and the remedying of certain deficits in the training system e.g. the integration of marginal groups). The function of the TECs in Mid-Wales, in common with other agencies, is in the formation of systems as much as in the operating of systems. As many industrial skills are not in demand in rural Wales or demand is limited to one enterprise, labour pools of particular skills are either stagnant or tend to disappear though inappropriate employment, prolonged unemployment or out-migration. Unlike their urban counterparts, Mid-Wales TECs cannot depend upon any economic mechanism to ensure that if they increase or create pools of labour equipped with leading edge industrial skills (e.g. production engineering, design or I T skills) that these will tend to be taken up and utilised.

The TECs themselves have made a number of initiatives to involve themselves in industrial investment including:

- Approaching particular new or potential investors to discuss their training requirements.

- The Powys employer compact which seeks, *inter alia* to upgrade manufacturing processes through training.

- Development of direct links with enterprises.

In Mid-Wales industrial investment support and training provision cannot have an arm's-length relationship. Both TECs and Development Agencies have roles in enterprise support and in human resource development, and any industrial investment must have a well thought out human resource dimension. The roles of enterprise support and training provision are confused. This can lead to inter-agency friction and requires clarity about roles and participative operating strategies.

Case Example 6 : summary analysis

1. **Socio-Economic Problematic**

In order to offset various processes of regional decline industrial investment is seen as a way of increasing wealth-creation and employment. Given the region's peripherality, relative lack of an industrial tradition, and shortage of investment capital, local industrial enterprises, which wish to expand, and incoming enterprises, which wish to find a cost-effective location, require infrastructure provision (serviced industrial sites, suitable property to lease or buy) and capital grants. Industrial investment also requires enterprise-specific skills training, entrepreneurial competences and other competences (e.g. marketing, technical innovation). The attendant human resource dimension of industrial investment has not been systematically explored. Both TECs and Development Agencies have roles in manufacturing enterprise support and in human resource development, and any industrial investment must have a well thought out human resource dimension.

2. **Mapping of the Agencies Concerned**

In Mid-Wales the agencies concerned with development of the manufacturing sector fall into three categories

- the development agencies, chiefly the DBRW with assistance from its sister agencies, the WDA and WDI (Welsh Development International which concerns itself with attracting foreign inward investment for the WDA and DBRW)

- the local authorities - Gwynedd, Powys and Dyfed County Councils and Meirionnydd, Ceredigion, Montgomeryshire, Brecknock and Radnorshire District Councils

- the Training and Enterprise Councils - West Wales TEC, Targed and Powys TEC.

3. Training Framework

The training input to manufacturing industry is concerned with three general types of training:

1. The development or enhancement of specific production skills. Training is typically tailored for a particular enterprise's needs or a particular industrial segment. However, more generic skills development, often linked to quality standards in production or to concerns such as safety or hygiene, are also common. An important issues in inward investment is meeting the precise training requirements of enterprises while an important issue in indigenous investment is persuading managers of the need for and the value in enhanced work force skills

2. The development of higher level human resources, such as management, marketing and financial skills. This is of critical importance in established **indigenous** companies and new start-ups.

3. Finally, there is a range of training measures which relate to new employment and/or new enterprise start-up. This kind of training ranges from the development of specific skills to induction courses (work group formation) to 'hidden' employment subsidies.

4. Regional Development Issues

The regional development issues at stake in this case example of support for manufacturing enterprise are:

- Wealth and employment creation

- The modernisation and growth of the regional economy

- Increased articulation in the regional economy through diversification, increased sophistication and increased internal and external linkages

- Human capital formation in the region as a whole through participation in complex and sophisticated economic activities

- Advancing towards a self-sustaining regional economic system through gaining socio-economic critical mass.

What is distinctive about the process of manufacturing investment is that enhanced human resources are both a product of the growth of manufacturing as well as an important input into the growth of manufacturing. The process of skills development and effective training is and must be deeply embedded within the manufacturing process.

5. How Can Such a Case Be Evaluated?

Because the TECs have only recently had an institutional presence in manufacturing investment and growth, evaluation in this case needs to be directed, in the first instance, at the cooperation and concertation between the DBRW and the TECs in the implementation and delivery of support to manufacturing enterprises. Examples of evaluation questions are :

- How stable and effective is the partnership between the DBRW, TECs and local authorities on industrial investment?

- Do manufacturing enterprises face a coherent, integrated set of support mechanisms or must they negotiate separately with different agencies?

- Is there a well understood division of labour between the responsible agencies?

Answers to these questions could be found through examining the formal and informal inter-agency networks, by case studies of the support offered to particular enterprises and by examining the ways in which the various agencies learn together and communicate learning to each other about the success or otherwise of their joint actions.

The evaluation of the effectiveness of support mechanisms needs to focus firstly on their contribution to particular enterprises as measured by competitiveness, profits and jobs. The rates of return on physical investments (buildings, machinery, working capital) can be measured using conventional commercial techniques but the contribution of human capital (that is the effect of skills and management training) are harder to quantify and require examination of changes in operating procedures, management style or techniques or business strategy always trying to allow for those changes which would have happened anyway. Case studies, comparative studies and managers' and workers' own impressions are all useful here. Previous research would lead us to focus on assessing the degree of integration of training with broader corporate strategy.

The evaluation of the effectiveness of support mechanisms to manufacturing industry needs to focus secondly on their impact on wider regional economic and socio-economic development. These impacts can really only be evaluated over significant periods of time and against a backdrop of the counterfactual of 'policy off' (i.e. if there had been no such support mechanisms operating in that period surveyed).

Case Example 7 : Enterprise support mechanisms

In this case example, we examine enterprise support mechanisms in the Mid-Wales region by focusing on Enterprise Agencies and Business Centres in the region and we investigate relations between the agencies involved in enterprise support.

In the early to mid 1980s UK government policy on SME (Small and Medium sized Enterprise) support, at a time of high unemployment, focused on new business strategies, often involving sole traders. More recently, the emphasis has switched to helping existing SMEs to grow. This is in keeping with a recognition across the industrialised works of the dynamic importance of SMEs in market economies.

In the Mid-Wales region with traditionally high levels of self-employment, natural advantages in industries that lend themselves to small-scale units (tourism, crafts), underdeveloped intermediate and consumer services sectors and a need to promote economic growth through encouraging expansion of existing SMEs, enterprise support is perceived as important. The Government's professed aim of creating an 'enterprise culture' for the UK reinforces this trend but has also led to a proliferation of programmes and agencies with responsibility for enterprise support. Human resources and human resource development are perceived as central to the task of enterprise support.

Support for SMEs in the UK generally takes the form of advice, business consultancy, 'marriage' brokerage (between SMEs and financial institutions, professional advisors, etc.), grants and loans for various purposes (design, marketing, preparing business plans, quality standards implementation, etc.) and training (whether for management or workers). In Mid-Wales the provision of premises or incubator units by public bodies at less than market rates or in locations where otherwise they would not exist is a further support service. Government programmes for SME support in the UK are designed with urban areas in mind. Two types of institution have been legislated for by government in recent years to organise and deliver local enterprise support services, in addition to the local authorities economic development services - the TECs and the Enterprise Agencies. Arrangements for delivering the various enterprise support programmes in the Mid-Wales region differ from the broader UK experience due to (i) the region's rurality and (ii) the prior existence of a powerful agency, the DBRW, with extensive enterprise support responsibilities and resources. Further, in a region with a generally weak private sector, the local authorities tend to have a higher profile in economic development than they have elsewhere in the UK.

Actual delivery of enterprise support in Mid-Wales is vested in one of four types of delivery mechanisms; Enterprise Agencies; Business Centres; specialised sub-contractors (business consultants, training organisation, etc.); or directly controlled agents or subsidiaries of the DBRW, TECs and local authorities. Between the main agencies there is a quite complex web of contracting and sub-contracting.

The County and District Councils, in partnership with the DBRW, are responsible for managing and operation of the network of Business Centres across Mid-Wales. providing a range of business support services, particularly advice and consultancy[1]. The District Councils believe that they are particularly well placed to support small enterprises because of their strong links with individual communities and localised geographical responsibilities. This is particularly pertinent as the weakness of the local private sector has set funding and leadership limits to the possible contribution of the Enterprise Agencies. The District Councils expect the Business Centres' work load to grow and new relationships to develop with the local TECs and they envisage a future need to upgrade accommodation, staffing and other resources. The District Councils argue that there is considerable scope for the Business Centres to pursue further initiatives, already pioneered by Enterprise Agencies, such as the establishment of local business directorates, small business clubs and trade fairs, to increase contacts and trading

---

1 . This paragraph draws heavily from 'Mid Wales Districts: Economic Development Strategy', February 1991.

between Mid-Wales' small and expanding enterprises. However, at present, the primary role of the Business Centres is to provide an interface to and a 'one stop shop' for the various programmes and services provided by the DBRW, Local Authorities, TECs and Mid-Wales Tourism/North Wales Tourism.

The government has funded and encouraged the setting up of a network of local Enterprise Agencies in the UK. Enterprise Agencies provide a full range of support services to businesses and have the freedom to engage in markets or forms of activities as and when they see fit. While government provides some initial funding, these agencies are autonomous with private sector ownership and control. It is intended that all Enterprise Agencies will become self-financing after an initial three year period through private sector funding and their own revenue generating activities. Enterprise Agencies contract with public bodies such as TECs, the DTI, etc. to provide certain services under competitive conditions. When successful, Enterprise Agencies provide a resource for local SMEs, a focus for private sector mobilisation and a vehicle for operationalising aspects of public programmes.

The Enterprise Agency idea faces particular problems in rural areas such as the Mid-Wales region. As the private sector is weak and economic articulation low, the prospect of Enterprise Agencies ever becoming self-sustaining through private sector funding and revenues from high volumes of business is highly unlikely. The Welsh Office is anxious to create Enterprise Agencies in all areas of Wales if only for the sake of formal equity. The difficulty in rural areas is that in the local private sector they can find 'nobody to deal with'. Thus they have the problem of creating service providers from scratch. The Welsh Office is aware that not all Enterprise Agencies will prosper or even survive and that survival in rural areas will require continuing public support. While one Enterprise Agency (in Powys) has already folded and others are struggling to find their feet, there have been at least two notable Enterprise Agency success stories in Mid-Wales, Antur Teifi and Antur Dwyryd. In each case, the Enterprise Agency is run by a resourceful individual committed to local development and the agencies in their practice have stressed mobilisation, leadership and steps to change local business culture equally with more conventional support services.

Finally, in this case example, we look at the activities of the 'Enterprise Consortium' - an inter-agency steering group coordinating vocational training and new enterprise development in North-West Wales. We also examines two economic sectors - tourism and agriculture - where various sources suggest that support mechanisms need structural improvement.

In an area of rural Wales, there is a consensus that close liaison between the development agencies, local authorities and the local TEC is necessary for effective enterprise support. This is the view of all the agencies concerned. It is also felt that Enterprise Agencies can be a useful vehicle to provide an interface to enterprise for the agencies and for operationalising services. A formal forum was set up to consider issues arising around enterprise support. Although this forum was initially set up for a particular purpose - launching a new Enterprise Agency - it soon became a forum for establishing a general liaison over enterprise support. The need for such a forum arose from the entry of a new player - the local TEC - into the field. Most sources interviewed do not expect the forum to continue beyond its current projects but rather to be replaced by other formal and informal arrangements between the key organisations; the Local Authorities, Development Agencies and the TEC.

The Enterprise Consortium brings together representatives of most of the key actors in vocational training and regional development in Mid-Wales - Local Authorities, TECs, DBRW, WDA, Enterprise Agencies. The Enterprise Consortium exhibits the problems of multiple boundaries - the difficulties of establishing coherent boundaries geographically and institutionally and the potential for boundary conflict. The Enterprise Consortium would appear to be a transitional grouping enabling, on the one hand, TARGED, NW Wales TEC, to establish (between the TEC, Local Authorities in the area and the DBRW and the WDA) a network for dealing with questions of vocational training and regional development and, on the other hand, to facilitate the emergence and coordination of support to new enterprise agencies (a proposed new Enterprise Agency for Anglesey and Arfon and existing agencies in South Gwynedd straddling DBRW and WDA boundaries). Although the grouping may be transitional, its formal nature conveniently illuminates underlying inter-organisational relations that pre-date and may survive the Enterprise Consortium itself.

The genesis of the forum arose from Welsh Office prompting. Gwynedd County Council was seeking Welsh Office funding for various planned enterprise services to be provided as part of municipal workshops. The relevant Welsh Office department with responsibility for enterprise support had been concerned for some time about the absence of an Enterprise Agency in Anglesey and Arfon. It was indicated that the Welsh Office might look favourably on the funding application if the County Council was to broaden its horizons on enterprise support mechanisms to consider the potential role of an Enterprise Agency for that locality. Various efforts had been made in the area in the past to set up an Enterprise Agency but had floundered on the lack of private sector leadership. The County Council undertook to bring together all the agencies providing enterprise support. This fell in with TARGED's own development plans at that time particularly as the TEC was unhappy with its relationship with one of the Development Agencies with regard to an Enterprise Agency in another part of the county. A number of boundary issues were also raised at the initial meeting of the forum including the management of enterprise support in the area which straddled the geographical boundary between the two Development Agency areas.

Representatives of the TECs and the Development Agencies feel that Enterprise Agencies are a useful interface to small businesses; a filter mechanism and a 'one stop shop'. Some local authority representatives are sceptical about the real need for new Enterprise Agencies as they see themselves as providing these services already. By contrast, other agencies (and other elements within the local authorities) feel that the Local Authorities do not provide the range and quality of services Enterprise Agencies can provide and suggest that either Enterprise Agencies should be introduced to provided an expanded range of services or Local Authorities themselves or other existing agencies should expand their efforts to fill the gap. Enterprise Agencies are felt to be particularly useful in deep rural areas, remote from any other support agencies or in their 'natural habitat', urban areas, where plenty of private sector funding, support and demand is available. In general, the TECs and the Development Agencies welcome the Enterprise Agencies as service vehicles which 'make their lives easier'. However, some feel that other service mechanisms might serve just as well. One example of an alternative service mechanism was a proposal to the Enterprise Forum from TARGED to set up an operational services subsidiary to 'fill the gap' in service provision as an existing Enterprise Agency in one area was likely to fold and the proposed new Enterprise Agency in another area, referred to

above, had yet to materialise.

In this case we found that the focus of liaison between the various agencies on enterprise support is on ensuring that complementary services are offered by the agencies involved with any particular Enterprise Agency or locality. The common aim is to concentrate resources on delivery rather than administration and to both generate new demand for services and husband limited existing resources. Liaison takes place through regular formal meetings and week to week informal meetings between a small number of people all well know personally to each other.

Case Example 7 : Summary analysis

1. **Socio-Economic Problematic**

Support for SMEs is a central development issue in the Mid-Wales region. It provides not just an economic strategy to use available resources for the creation of wealth and employment and to build a self-sustaining market economy but also implicitly a social strategy whereby an economic role can be found for the indigenous population whereby they can avoid poverty or out-migration. It is a particularly important form of 'boot strapping' economic activity as limited resources are available for other development activities such as infrastructure development. Enterprise support in the UK is normally carried out in private sector/public sector partnerships. However, the weakness of the private sector in Mid-Wales implies that public agencies must attempt to create their own private sector partners by encouraging and promoting business start-ups and expansions rather than just reacting to the needs and demands of entrepreneurs. Central to this proactive stance is the development of entrepreneurial and business skills in the owners and managers of SMEs in Mid-Wales.

2. **Mapping of Agencies**

Responsibility for formulating and implementing enterprise support measures in Mid-Wales lies with the DBRW, the TECs and the local authorities. Enterprise support is operationalised through autonomous Enterprise Agencies which are led by the private sector but which are effectively in Mid-Wales private sector/public sector partnerships; by Business Centres which are run by the District Councils in partnership with the DBRW; and by agents, sub-contractors and subsidiaries directly controlled by the DBRW, TECs and Local Authorities. The DBRW, TECs and Local Authorities liaise closely with each other on enterprise support with the intention of maximising the use of resources and the avoidance of any unnecessary duplication of services. Agencies aim to provide a unified transparent interface to enterprises and the Business Centres and Enterprise Agencies play an important role here.

3. **Training Frameworks**

The training framework for enterprise support operates at three levels:

- The development of enterprise and business skills through training courses, provision of literature and individual advice and consultancy.

- Professional help in business development in the form of 'knowhow' transfer (design, marketing, etc.).

- Occupational skills training for the employees of SMEs.

4. Regional Development Issues

In an area with traditionally high levels of self-employment, natural advantages in industries that lend themselves to small-scale units (tourism, crafts), underdeveloped intermediate and consumer services sectors and a need to promote economic growth through encouraging expansion of existing SMEs, enterprise support is perceived as important. A number of regional development processes are at issue in enterprise support:

- Human capital formation - development of the SME sector involves creating a pool of entrepreneurial and business skills and the opening up of local indigenous Welsh culture to the idea of enterprise.

- The development of the SME sector as an engine of wealth creation and growth.

- The development of SMEs in the service sector - this is particularly important because of the need to develop more linkages in the regional economy and because of the opportunities available to Mid-Wales in services such as tourism.

A number of interesting issues arose from this case from the perspective of inter-organisational relations:

In this case example, we see a **concerted** attempt to provide efficiently a full range of enterprise support services in an area. We see how such an attempt in a rural environment confronts a need for a corresponding requisite level of intra and inter agency linkage and co-ordination. Such attempts have the potential to open up competition and conflict over boundaries within the network of agencies involved. This case example draws attention to the importance of choosing suitable modes of structuring the network (inter organisational relations) and suitable liaison participants if potential conflicts are to be avoided and real communication established. We also see here the usefulness of formal transitional inter-agency structures for managing change and innovation.

Finally, this case casts light on the simultaneous power and weakness of central government (the Welsh Office) and the various agencies in the face of each other. It also casts light on the political realities of policy and programme formulation and implementation in Mid-Wales.

5. How Can Such a Case Be Evaluated?

Because enterprise support in Mid-Wales takes a proactive rather than reactive stance, in that it is both in the business of creating demand for its services as well as satisfying that demand, evaluation needs to focus on catalytic effects and learning experiences as well as on more traditional measures of service quality (response times, client satisfaction, comprehensiveness of services, etc.).

A further level of evaluation needs to take account of the multi-organisational nature of the provision and coordination of enterprise support. Such an evaluation needs to deal with issues of:

- the evaluation of network arrangements and the appropriateness and usefulness of informal and formal liaison links,

- the evaluation of partnership, such as the degree of access to decision making processes enjoyed by different agencies,

- and, the degree to which inter-agency co-operation/communication is constrained by real threats to their budgets, autonomy, etc.

PART FOUR

10. CONCLUSIONS AND PROPOSITIONS

What is a Region?

There is no agreement about what constitutes a region in Mid-Wales. For most agencies, the region is identified with their own institutional boundaries. Thus for the DBRW, Mid-Wales includes the five District Councils within its remit; for TECs, the region is often identified with Travel to Work areas; for County Councils, the region is their county boundaries; and for the Welsh Office and for EC statisticians, the whole of Wales is a region.

It is reasonable that a region should be defined differently for different purposes. It is difficult to understand the economy of Powys without considering the West Midlands and Clwyd is similarly tied into the Lancashire and Merseyside economies. At the other extreme, specific localities - Newtown, Lake Bala, Aberystwyth, Newcastle Emlyn - often have to be understood in terms of their own particular histories and circumstances rather than in relation to each other. Recognition of within region differences - between east and west, large and small settlements, English speaking and Welsh speaking communities - has become more common in recent years.

Underlying these issues of definition are the uncertainties that are introduced when socio-economic change occurs. Previously viable, small scale communities can no longer offer an adequate range of services. Yet distant bureaucracies are resented by local people. A certain degree of identity, autonomy and coherence probably defines 'our region' for most people but there are always losers as well as gainers in any dynamic situation. This engenders conflict and micro-politics within the region as new coalitions emerge.

The region is often described in statistical and socio-economic terms by comparison with other parts of the UK. Such descriptions tend to emphasise the region's negative aspects and relative deprivation, e.g. its low per capita income, unbalanced population structure and limited occupational choice. However, the region is also described more qualitatively and in more positive ways, emphasising its innate advantages, e.g. the quality of the environment, attractions for tourists and cultural traditions.

Propositions

> An economically weak and peripheral region is highly internally differentiated: the sub-parts do not necessarily interact with each other in the same way as would be the case in a more developed and mainstream region.
>
> Such a region will also be more dependent on external influences. Often within region behaviour can only be understood in terms of out-region decisions, markets and pressures.
>
> Within region politics can be partly understood as the struggles and realignment

between different interests, some of whom are losing and others gaining, during the development process.

What is Regional Development?

Considerations of regional development offer another perspective on the question of what is a region. What people want to develop tells us what they think the region is. Among the answers we have been given to this question are:

- a more balanced population, where young people stay and are not replaced by incomers:
- a richer economy where higher skills support better paid jobs and better facilities;
- a more dynamic society where indigenous people in particular can exercise leadership and enjoy greater self-determination;
- a more diversified employment base with more viable firms in growing sectors;
- a better environment and quality of life, as might be enjoyed by citizens elsewhere in the UK;
- an area able to attract incoming investment, new businesses and expertise from outside the region;
- culturally robust Welsh speaking communities able to participate in a modern economy through the medium of the Welsh language;
- better roads, transport and other modern infrastructures;
- an enterprising society with many small firms being created and expanding;
- more factory space, workshops and commercial development;
- more resources concentrated in the deep rural, more isolated and western parts of the region.

Some Generalisations

Just as there is no agreement on what is a region, there is little agreement on what constitutes regional development.

- For some, it is solely an economic matter but others emphasise social, environmental and cultural forms of development.
- Internal and external points of reference are offered: such as 'attracting incomers', 'improving road links with England' and comparisons with elsewhere in the UK *versus* indigenous, cultural developments or better North/South links within Wales.

- Various means of regional development are put forward, often by the same people: inward investment, indigenous leadership, better infrastructures - there are some differences of value and aspirations underlying these differences in the means advocated.

- Small scale development schemes in isolated communities often require integrated development initiatives.

- Development is a two way street: good roads bring outside suppliers in as well as exports out and good education and training allow young people to leave as much as to stay.

- The language of development is political and is used politically by others involved in regional development. In particular, there are tensions between positive assertions of distinctiveness and negative assertions of deprivation.

These perspectives on regional development suggest that for some regional agents the region can be defined in terms of local and incoming firms, for some the region is its people, for some it is physical amenities and infrastructure and for some the region is cultural: characterised by language and a way of life.

Propositions

Regional development is made up of two elements: a vision or aspiration for a desired future; and the means to achieve this vision.

Because there are value differences among many regional actors about both the means and ends of regional development, it is not surprising that many alliances are short term and subject to renegotiation.

Given the internal diversity within the region, different policies are appropriate to different parts of the region, quite apart from value differences among regional actors.

The more regio: al development seeks to grapple with the least economically developed communities, the more development has to be integrated and cross sectoral.

In regional development the use of the language of victimisation and of self-determination is itself part of the politics of development.

What Are the 'Agents' of Regional Development?

Almost any development activity is Mid-Wales involves more than one development agent. Among the bodies we have encountered have been:

- the major Development Agencies - the DBRW and the WDA

- County Councils
- District Councils
- Training and Enterprise Councils
- Community based Enterprise Agencies
- Mid-Wales Tourism
- The Welsh Office.

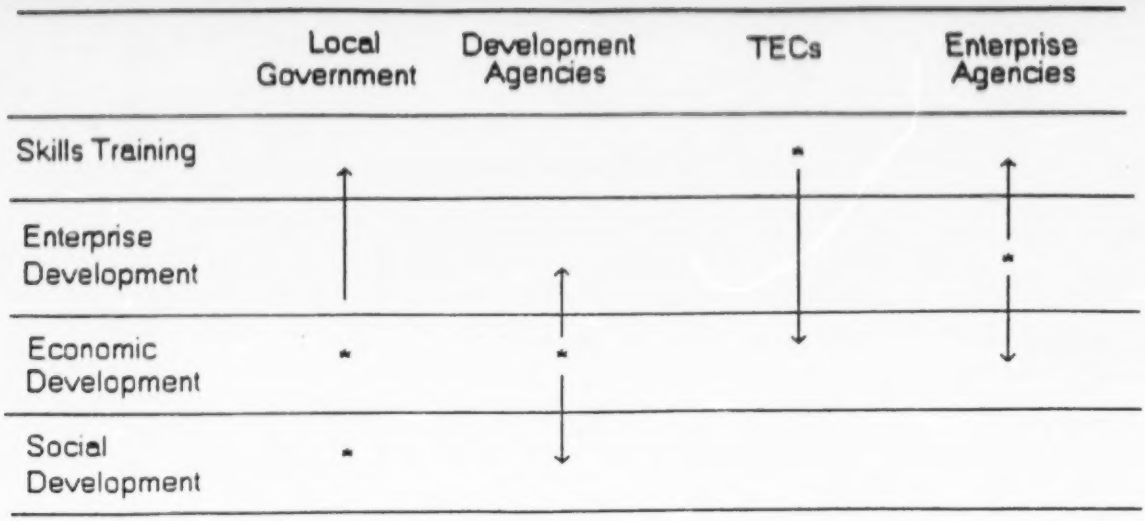
Each of these 'agents' is pursuing slightly different development agendas (drawn from among those identified earlier) yet also have overlapping interests. They are all involved in a host of task-groups, consortia, partnerships and other contracting and sub-contracting relationships. In economic parlance, many 'deals' are being done all the time.

The reasons for this level of inter-institutional activity include:

- irrational institutional boundaries usually decided on by national government with little understanding of regional realities;
- limited budgets such that only by combining can many development goals be achieved;
- cross-sectoral developments in which bodies with different remits have necessarily to work together;
- devices for avoiding the negative effects of central government legislation;
- temporary alliances in response to threats, e.g. of close-down, restructuring, etc.
- out of date institutional mechanisms, unable to do what is required today and having to compensate for this by collaborative activities.

One generalisation: many examples of joint working are clearly *remedial* and are only necessary in response to a deficit, e.g. poorly drawn boundaries and inadequate budgets. If District and County Councils had enough resources they would build their own swimming pools and village halls rather than ask the DBRW to do it. Another type of joint working is *transitional*: a temporary arrangement to manage a temporary difficulty, e.g. the response to new legislation, the closure of Trawsfynydd.

The nature of the development task in Mid-Wales pulls for overlapping interests and co-operation. Most development actors find themselves drawn into related activities in order for them to achieve their main remit. The table illustrates some development activities and some of the main actors involved.



Copyright: The Tavistock Institute

Whilst each actor involved in regional development has core interests (represented by asterisks*) they are also involved in other development activities.

Although joint working between 'agents' and institutions is intended to achieve a common goal, many partners are simultaneously pursuing some goals that are not shared. Differences in objectives and values are evident in most partnership arrangements. Conflict and co-operation go hand in hand. Yet such political activity can be both negative and positive. Secret agreements and deals are examples of the negative, whilst openly seeking to achieve one's objectives can be a positive aspect of regional politics. One source of negative political process is the insecurity that is felt by regional agencies that are themselves often under threat. Bids to control the activities of others can be associated with such insecurity.

To some extent it is false to regard the actors involved in regional development as independent of each other. Not only are they part of a network but, in some instances, it is useful to regard the entire network as if it were one actor. We often find people wearing several 'hats' in the different agencies and institutions and personal networks also serve to integrate different regional actors.

Those committed to indigenous development make a distinction between 'agents' of development and development 'actors'. Agents means acting on behalf of others: from a local perspective, this implies facilitation by agencies of the development activities of others. The term 'Regional development actors' has connotations of initiation, responsibility and capability. If it is used to describe agents it can convey the implication that local people are not capable of their own development and lack a development vision of their own.

Propositions

- It is a characteristic of peripheral regions that institutional boundaries are imposed from outside, sometimes with little understanding of local realities.

- **Co-operative joint working between development agencies is often remedial and transitional in nature: without deficits of resource and temporary threats they would not be needed.**

- The regional context encourages inter-institutional co-operation: there is a less tight division of labour than in urban areas.

- Few inter-institutional regional development links are entirely co-operative: most also involve conflicts over development goals, means or institutional power.

- Negative, non-cooperative, inter-agency relationships tend to occur when the agencies concerned are themselves under threat.

- The scale of development activity in peripheral regions provides a context in which regional actors tend to become drawn into related domains and hence overlap more in their activities.

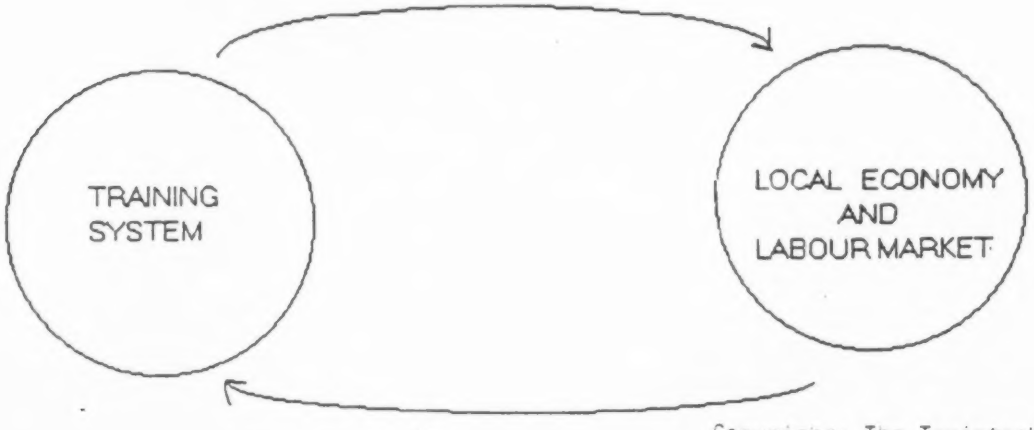
- In some respects the entire network of development actors operates as a single system, bound together by overlapping activities, multiple role-holding and personal networks.

How Does Training Contribute to Regional Development?

Given the diverse way regional actors conceive of regional development, it is unsurprising that the contribution of training to development is not always clear.

We have adopted a broad definition of a training system, i.e. the entire process by which human resources and skills are developed and utilised in a locality or region. This emphasis on utilisation as well as development of human resources includes: the identification of training needs; job broking and recruitment activities; the re-insertion of the unemployed and other excluded groups; guidance and counselling to individuals; and information and advice to employers, as well as skill acquisition and formal instruction.

Training can never be regarded as an entirely autonomous function: it is part of a particular economic system and labour market. The relationship between training and the local economy is usually close, as suggested by the following diagram:



Copyright: The Tavistock Institute

In rural Wales we would argue that the training system has traditionally been well adapted to a local labour market functioning at a low level, whose characteristics include:

- a limited range of jobs and skills - often low paid and low in skill content;
- an economy still highly dependent on vulnerable and/or declining primary sectors, particularly agriculture;
- access and mobility problems that limit both job choice and training opportunities;
- levels of unemployment that are probably held down artificially by low female participation rates, high rates of self-employment and underemployment and seasonal work patterns;
- a weak private sector with small firms, too few of which export beyond the region;
- a poor record of attracting and keeping inward investment; and
- a high dependence on the public sector for professional and managerial employment.

For a training system to contribute to regional development, it therefore has to go beyond meeting current needs. Yet to do so without other changes in the local economy, could well prove to be a waste of resources: it is no good training managers, for example, unless there is work for them. For this reason, training interventions in rural areas have to gain leverage on other parts of the local economy. This appears to be well recognised both by TEC personnel and by others involved in the Mid-Wales training system. There is less emphasis on traditional skills training and more on enterprise formation and support for the modernisation of existing firms. Creating jobs is more important for development purposes. Training interventions are seen as contributing to regional development mainly by:

- encouraging existing firms to invest in human resources and modernise themselves;
- improving guidance for individuals and information/awareness for firms, hence improving the functioning of labour market;
- supporting new businesses and the managerial and business skills they need;

and

- creating a training infrastructure capable of delivering services and programmes.

The existing training system appears to have had less success in other important aspects of regional development. Although *incoming firms* are not common in Mid-Wales (compared with South Wales), they do occur. The training system and the economic development agencies concerned with attracting inward investment do not appear to co-ordinate their activities as effectively as they do around new businesses.

Training is usually seen as aiming for relatively specific transfers of knowledge and competence - even when such skills are generic, as with business management. However, in the Mid-Wales region, many learning needs are far less specific being further away from the labour market. For example, learning within a community development setting is more informal, nearer to education that to training. In the bi-cultural milieu of Mid-Wales, these kinds of informal learning needs - to build confidence, raise awareness and encourage new indigenous initiatives - are increasingly important. Institutions dedicated to training may have difficulty in meeting these kinds of learning needs. Furthermore, the sources of such learning may also be unconventional: located in the voluntary sector and community groups rather than in training settings or workplaces.

Constraints on the effective contribution of training to regional development are:

- The resources available for economic development - whether for transport infrastructure of for firm-based investments - are limited.

- Existing labour markets and populations cannot support a modern training system.

- Too high a proportion of UK training resources continue to be directed to the unemployed and Mid-Wales (as with other rural areas) has low levels of unemployment which limits resources available.

- The lack of training resources, low population numbers and problems of access make the costs of delivering training high.

- A qualifications system in the UK that emphasises skills in depth, whereas in rural enterprises a local range of non-specialised skills maybe more common and useful.

Propositions

The extent to which training can contribute to regional development is limited by the existing regional economy and labour market.

Training interventions therefore have to be co-ordinated with other econom development and business development activities.

To a limited extent, training (broadly conceived) can itself make a contribution to the modernisation of existing firms and the emergence of new firms.

Informal learning and education at a community level, especially within Welsh speaking communities, may be a more important contribution to regional development than transfers of specific skills.

Dedicated training institutions are neither equipped nor resourced to support this kind of informal learning.

How Do We Evaluate the Effects of Training in a Regional Development Context?

Evaluation, knowing how interventions work, is important for many reasons. Evaluation tends to fall into three main types:

> Assessment Evaluations: which seek to know whether targets have been achieved.
>
> Implementation Evaluations: which seek to know whether a scheme is being effectively managed and
>
> Development or 'Learning' Evaluations: which seek to develop shared understanding about how best to improve policy and practice in future.

Each of these 'types' of evaluation serves a different audience. Assessment tends to serve accountability purposes, i.e. it is for external funders; implementation tends to serve to support management within an agency or programme; and development evaluations are essentially about learning - both for current participants in an initiative and for others who may seek to follow the same path in future.

Confusion between evaluation purposes is a common problem in the design of evaluation. For example, producing performance indicators is often not a very useful way to learn how to improve practice, though they may be essential to get funding from Central Government or the Welsh Office next year. Another source of confusion is the adoption by non-experts of different scientific models without being clear about the strengths and weaknesses of these models. For example, experimental design which underpins many assessment type evaluations assumes that cause and effect can be demonstrated. It derives from laboratory experiments where sources of 'interference' can be controlled. In reality, many socio-economic interventions involve multiple programmes and changes in circumstances that make the demonstration of cause and effect difficult, if not impossible.

In the case examples we have looked at in Mid-Wales, there are very few which would be amenable to simple assessment-type evaluations **unless** several programmes and interventions were looked at together. You could not, for example, show that enterprise training, *per se*, had these particular effects. You would have to look at **all** the interventions in support of new business start-ups in the region as a single subject of evaluation to have any hope of proof. There is also the familiar time scale problem: evaluations are often tied to short (political/budgeting) time cycles. Yet to demonstrate socio-economic effects is likely to take much longer.

In training evaluation in general the time scale problem is ever present. Most evaluations of training in industrial companies, for example, concentrate on the immediate response to training, or at best, on the evidence of skills acquired. Very few follow the impacts of training through to examine the use that is put to what has been learned, let alone to the impact this has on company performance.

However, as already noted, few of the training interventions that impact on regional development that we have encountered are concerned only with skill acquisition. Most involve far more complex linkages through the modernisation of firms, promoting learning at a community level, raising awareness or developing a responsive training system. These kinds of phenomena usually require qualitative as well quantitative evaluation material. They are also more concerned with learning than assessment - and therefore depend on settings/fora/meeting places in which shared understanding can be discussed and defined.

One question we are not clear about, is how far the undoubtedly strong networks that exist in the region support neutral meeting places where the experience and outcomes of regional initiatives can be debated from different value stances.

Finally, there is some evidence that in rural Wales, as elsewhere in the public and related sectors, evaluation is often construed as 'justification . The main interest of much so-called evaluative activity is to justify current and future budgets and fuel public relations campaigns. Unfortunately, there is little evidence that this kind of evaluative activity promotes learning and development.

Propositions

Complex training and related interventions make simple assessment evaluations difficult to implement.

Effective evaluation at a regional level would require co-operative evaluative activity across programmes and institutions.

The time scale for evaluating the effects of economic development, training and other regional development is lengthy and needs to be planned over an extended period.

Complex, interactive and non-recurring cases require qualitative as well as quantitative methods.

Insofar as learning is one of the purposes of evaluation, it depends on neutral meeting places and fora in which the experiences and outcomes of initiatives can be debated from different value stances.

CEDEFOP — European Centre for the Development of Vocational Training

Evaluation of the impact of vocational training in a territorial context
The evaluation of training, human resources and regional development in rural Wales

Elliot Stern (Tavistock Institute of Human Relations)

CEDEFOP Document

Luxembourg: Office for Official Publications of the European Communities

1992 — III, 71 pp. — 21.0 x 29.7 cm

ISBN 92-826-5020-0

Price (excluding VAT) in Luxembourg: ECU 8

Venta y suscripciones • Salg og abonnement • Verkauf und Abonnement • Πωλήσεις και συνδρομές
Sales and subscriptions • Vente et abonnements • Vendita e abbonamenti
Verkoop en abonnementen • Venda e assinaturas

BELGIQUE / BELGIË

Moniteur belge / Belgisch Staatsblad
Rue de Louvain 42 / Leuvenseweg 42
B-1000 Bruxelles / B-1000 Brussel
Tél. (02) 512 00 26
Fax (02) 511 01 84

Autres distributeurs / Overige verkooppunten

Librairie européenne/ Europese boekhandel
Rue de la Loi 244/Wetstraat 244
B-1040 Bruxelles / B-1040 Brussel
Tél. (02) 231 04 35
Fax (02) 735 08 60

Jean De Lannoy
Avenue du Roi 202 /Koningslaan 202
B-1060 Bruxelles / B-1060 Brussel
Tél. (02) 538 51 69
Télex 63220 UNBOOK B
Fax (02) 538 08 41

Document delivery:
Credoc
Rue de la Montagne 34 / Bergstraat 34
Bte 11 / Bus 11
B-1000 Bruxelles / B-1000 Brussel
Tél. (02) 511 69 41
Fax (02) 513 31 95

DANMARK

J. H. Schultz Information A/S
Herstedvang 10-12
DK-2620 Albertslund
Tlf. (45) 43 63 23 00
Fax (Salg): (45) 43 63 19 69
Fax (Management): (45) 43 63 19 49

DEUTSCHLAND

Bundesanzeiger Verlag
Breite Straße
Postfach 10 80 06
D-W-5000 Köln 1
Tel. (02 21) 20 29-0
Telex ANZEIGER BONN 8 882 595
Fax 2 02 92 78

ΕΛΛΑΔΑ / GREECE

G.C. Eleftheroudakis SA
International Bookstore
Nikis Street 4
GR-10563 Athens
Tel. (01) 322 63 23
Telex 219410 ELEF
Fax 323 98 21

ESPAÑA

Boletín Oficial del Estado
Trafalgar, 29
E-28071 Madrid
Tel. (91) 538 22 95
Fax (91) 538 23 49

Mundi-Prensa Libros, SA
Castelló, 37
E-28001 Madrid
Tel. (91) 431 33 99 (Libros)
431 32 22 (Suscripciones)
435 36 37 (Dirección)
Telex 49370-MPLI-E
Fax (91) 575 39 98

Sucursal
Librería Internacional AEDOS
Consejo de Ciento, 391
E-08009 Barcelona
Tel. (93) 488 34 92
Fax (93) 487 76 59

Llibreria de la Generalitat de Catalunya
Rambla dels Estudis, 118 (Palau Moja)
E-08002 Barcelona
Tel. (93) 302 68 35
302 64 62
Fax (93) 302 12 99

FRANCE

Journal officiel
Service des publications des Communautés européennes
26, rue Desaix
F-75727 Paris Cedex 15
Tel. (1) 40 58 75 00
Fax (1) 40 58 77 00

IRELAND

Government Supplies Agency
4-5 Harcourt Road
Dublin 2
Tel. (1) 61 31 11
Fax (1) 78 06 45

ITALIA

Licosa SpA
Via Duca di Calabria, 1/1
Casella postale 552
I-50125 Firenze
Tel. (055) 64 54 15
Fax 64 12 57
Telex 570466 LICOSA I

GRAND-DUCHÉ DE LUXEMBOURG

Messageries Paul Kraus
11, rue Christophe Plantin
L-2339 Luxembourg
Tel. 499 88 88
Telex 2515
Fax 499 88 84 44

NEDERLAND

SDU Overheidsinformatie
Externe Fondsen
Postbus 20014
2500 EA 's-Gravenhage
Tel. (070) 37 89 911
Fax (070) 34 75 778

PORTUGAL

Imprensa Nacional
Casa da Moeda, EP
Rua D. Francisco Manuel de Melo, 5
P-1092 Lisboa Codex
Tel. (01) 69 34 14

Distribuidora de Livros Bertrand, Ld.ª
Grupo Bertrand, SA
Rua das Terras dos Vales, 4-A
Apartado 37
P-2700 Amadora Codex
Tel. (01) 49 59 050
Telex 15798 BERDIS
Fax 49 60 255

UNITED KINGDOM

HMSO Books (Agency section)
HMSO Publications Centre
51 Nine Elms Lane
London SW8 5DR
Tel. (071) 873 9090
Fax 873 8463
Telex 29 71 138

ÖSTERREICH

Manz'sche Verlags- und Universitätsbuchhandlung
Kohlmarkt 16
A-1014 Wien
Tel. (0222) 531 61-0
Telex 112 500 BOX A
Fax (0222) 531 61-39

SUOMI

Akateeminen Kirjakauppa
Keskuskatu 1
PO Box 128
SF-00101 Helsinki
Tel. (0) 121 41
Fax (0) 121 44 41

NORGE

Narvesen information center
Bertrand Narvesens vei 2
PO Box 6125 Etterstad
N-0602 Oslo 6
Tel. (2) 57 33 00
Telex 79668 NIC N
Fax (2) 68 19 01

SVERIGE

BTJ
Tryck Traktorvagen 13
S-222 60 Lund
Tel. (046) 18 00 00
Fax (046) 18 01 25

SCHWEIZ / SUISSE / SVIZZERA

OSEC
Stampfenbachstraße 85
CH-8035 Zürich
Tel. (01) 365 54 49
Fax (01) 365 54 11

ČESKOSLOVENSKO

NIS
Havelkova 22
13000 Praha 3
Tel. (02) 235 84 46
Fax 42-2-264775

MAGYARORSZÁG

Euro-Info-Service
Pf. 1271
H-1464 Budapest
Tel./Fax (1) 111 60 61/111 62 16

POLSKA

Business Foundation
ul. Krucza 38/42
00-512 Warszawa
Tel. (22) 21 99 93, 628-28-82
International Fax&Phone
(0-39) 12-00-77

ROUMANIE

Euromedia
65, Strada Dionisie Lupu
70184 Bucuresti
Tel./Fax 0 12 96 46

БЪЛГАРИЯ / BULGARIE

D.J.B.
59, bd Vitocha
1000 Sofia
Tel./Fax 2 810158

РОССИЯ / RUSSIA

CCEC (Centre for Cooperation with the European Communities)
9, Prospect 60-let Oktyabria
117312 Moscow
Tel. 095 135 52 87
Fax 095 420 21 44

CYPRUS

Cyprus Chamber of Commerce and Industry
Chamber Building
38 Grivas Dhigenis Ave
3 Deligeorgis Street
PO Box 1455
Nicosia
Tel. (2) 449500/462312
Fax (2) 458630

TÜRKIYE

Pres Gazete Kitap Dergi Pazarlama Dagitim Ticaret ve sanayi A.S.
Narlabahçe Sokak N. 15
Istanbul-Cagaloglu
Tel. (1) 520 92 96 - 528 55 66
Fax 520 64 57
Telex 23822 DSVO-TR

ISRAEL

ROY International
PO Box 13056
41 Mishmar Hayarden Street
Tel Aviv 61130
Tel. 3 496 108
Fax 3 544 60 39

CANADA

Renouf Publishing Co. Ltd
Mail orders — Head Office
1294 Algoma Road
Ottawa, Ontario K1B 3W8
Tel. (613) 741 43 33
Fax (613) 741 54 39
Telex 053-4783

Ottawa Store
61 Sparks Street
Tel. (613) 238 89 85

Toronto Store
211 Yonge Street
Tel. (416) 363 31 71

UNITED STATES OF AMERICA

UNIPUB
4611-F Assembly Drive
Lanham, MD 20706-4391
Tel. Toll Free (800) 274 4888
Fax (301) 459 0056

AUSTRALIA

Hunter Publications
58A Gipps Street
Collingwood
Victoria 3066
Tel. (3) 417 5361
Fax (3) 419 7154

JAPAN

Kinokuniya Company Ltd
17-7 Shinjuku 3-Chome
Shinjuku-ku
Tokyo 160-91
Tel. (03) 3439-0121

Journal Department
PO Box 55 Chitose
Tokyo 156
Tel. (03) 3439-0124

SINGAPORE

Legal Library Services Ltd
STK Agency
Robinson Road
PO Box 1817
Singapore 9036

AUTRES PAYS
OTHER COUNTRIES
ANDERE LÄNDER

Office des publications officielles des Communautés européennes
2, rue Mercier
L-2985 Luxembourg
Tel. 499 28 1
Telex PUBOF LU 1324 b
Fax 48 85 73-48 68 17

BEST COPY AVAILABLE

European Centre for the Development of Vocational Training
Jean Monnet House, Bundesallee 22, **D-W-1000 Berlin 15**
Tel. (030) 88 41 20; Fax (030) 88 41 22 22; Telex 184 163 eucen d

CEDEFOP

04 05 16

HX-76-92-932-EN-C

Price (excluding VAT) in Luxembourg: ECU 8

ISBN 92-826-5020-0

OFFICE FOR OFFICIAL PUBLICATIONS
OF THE EUROPEAN COMMUNITIES
L-2985 Luxembourg